



**Kanoria  
Foundation**  
WORK WITH DEVOTION

**INDIA POWER**  
Adding power to life



**2017-18**  
Annual Report

Igniting  
**Possibilities**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### CHIEF EXECUTIVE OFFICER

**Mr. Sanjeev Seth** (w.e.f. 1st September, 2017)

### CHIEF FINANCIAL OFFICER

**Mr. Sushil Kumar Agarwal**

### COMPANY SECRETARY

**Mr. Prashant Kapoor**

### BOARD COMMITTEES

#### AUDIT COMMITTEE

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

#### SHAREHOLDERS'/INVESTORS' GRIEVANCE AND STAKEHOLDERS' RELATIONSHIP COMMITTEE

**Mr. Hemant Kanoria** - Chairman  
**Mr. Debi Prasad Patra**  
**Mr. Jyoti Kumar Poddar**  
**Mr. Raghav Raj Kanoria**

#### NOMINATION AND REMUNERATION COMMITTEE

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

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

#### RISK MANAGEMENT COMMITTEE

**Mr. Tantra Narayan Thakur** - Chairman  
**Mr. Hemant Kanoria**  
**Mr. Amit Kiran Deb**  
**Mr. Debi Prasad Patra**  
**Mr. Jyoti Kumar Poddar**  
**Mr. Raghav Raj Kanoria**  
**Mr. Asok Kumar Goswami**

### COMMITTEE OF DIRECTORS

**Mr. Hemant Kanoria** - Chairman  
**Mr. Sunil Kanoria**  
**Mr. Jyoti Kumar Poddar**  
**Mr. Raghav Raj Kanoria**  
**Mr. Asok Kumar Goswami**

### STATUTORY AUDITORS

S. S. Kothari Mehta & Co.

### BANKERS

Andhra Bank  
AXIS Bank Limited  
Bank of India Limited  
Corporation Bank  
ICICI Bank Limited  
IDBI Bank Limited  
Lakshmi Vilas Bank  
RBL Bank Limited  
State Bank of India  
The South Indian Bank Limited  
Yes Bank Limited

### REGISTRAR & SHARE TRANSFER AGENT

[Equity Shares & Debentures (NCD)]  
CB Management Services (P) Ltd.  
P-22, Bondel Road, Kolkata - 700 019  
Phone: 91 33 4011 6700, 2280 6692/93/94/2486  
Fax: 91 33 2287 0263  
E-mail: rta@cbmsl.com

### DEBENTURE TRUSTEE

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

### REGISTERED OFFICE

Plot No. X-1, 2 & 3, Block EP, Sector V,  
Salt Lake City, Kolkata - 700 091  
Tel : 91 33 6609 4300/08/09/10  
Fax : 91 33 2357 2452  
E-mail: corporate@indiapower.com; pr@indiapower.com  
Website: www.indiapower.com  
CIN: L40105WB1919PLC003263

### 98TH ANNUAL GENERAL MEETING

Saturday, 22nd September, 2018 at 11:30 a.m.  
Registered Office: Plot No. X - 1, 2 & 3,  
Block EP, Sector V, Salt Lake City, Kolkata - 700 091



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100 YEARS

STEPPING INTO

# 100

YEARS OF  
EMPOWERED  
DEVELOPMENT

Since  
1919

**INDIA POWER**  
Adding power to life

[www.indiapower.com](http://www.indiapower.com)

### FORWARD-LOOKING STATEMENTS

In this Annual Report, we have disclosed information for the financial year 2017-18 and also forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report contains 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. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## BOARD OF DIRECTORS



Mr. Hemant Kanoria has over 38 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management and is a Member of the advisory Board of the Calcutta Business School. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and served on the Board of Governors of Indian Institute of Management, Calcutta besides being a Member of the Regional Direct Taxes Advisory Committee, Government of India.

**HEMANT KANORIA - Chairman**

Mr. Sunil Kanoria is a Chartered Accountant with more than 33 years of experience in the financial services industry. He has been the President of The Associated Chambers of Commerce & Industry of India, a former governing body member of the Construction Industry Development Council and is presently a Council Member of The Institute of Chartered Accountants of India (ICAI). He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.



**SUNIL KANORIA - Vice Chairman**



Mr. Amit Kiran Deb holds a Master's Degree in Political Science from Allahabad University and had joined the Indian Administrative Service (IAS) in the year 1971 and was assigned to the West Bengal Cadre. Thereafter, he had held several key positions in Government of West Bengal like Special Secretary, Power Department and many more.

**AMIT KIRAN DEB - Independent Director**

Mr. Nand Gopal Khaitan is an Attorney-At-Law, Advocate and Notary Public, practicing in the Hon'ble High Courts and the Hon'ble Supreme Court of India and is a Senior Partner of Khaitan & Co., a leading law firm in India.



**NAND GOPAL KHAITAN - Independent Director**



Mr. Tantra Narayan Thakur is the Former Chairman cum Managing Director of PTC India Ltd & PTC India Financial Services Ltd. He is also the Former Chairman of PTC Energy Limited. He has 40 years of experience in Power Sector, Treasury Management & Financial Management.

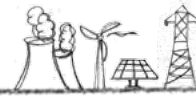
**TANTRA NARAYAN THAKUR - Independent Director**

Ms. Dipali Khanna is a MA (History) from Delhi University, M.Sc. (National Security) from National Defence College and has also completed a Certificate Course (Cost & Management Accountancy) from ICWA. She also served actively on the Boards of four large Public Sector Undertakings (PSUs) under the Ministry of Defence (HAL, MDL, GRSE & GSL), two PSUs under the Ministry of Power (NEEPCO & THDC), one PSU each under Ministry of Tourism (ITDC) and Ministry of Information & Broadcasting (NFDC).



**DIPALI KHANNA - Independent Director**





Mr. S. Sundareshan IAS (Retd.), holds a MBA Degree from the University of Leeds, United Kingdom. He also holds a Master's Degree in Arts from the University of Bombay. He has held senior positions of responsibility in the Government of India and the Government of Kerala over a period of last 39 years.

**S SUNDARESHAN** - Independent Director

Mr. Debi Prasad Patra IAS (Retd.), holds a Master's Degree in Political Science from Delhi University. He joined the Indian Administrative Service in the year 1979 and was assigned to the West Bengal Cadre and thereafter had a distinguished period spanning over 24 years in Government wherein he held several key portfolios including the post of Under Secretary, Home Department, District Magistrate of Darjeeling and South 24 Parganas, Director of Industries, Managing Director, West Bengal Industrial Development Corporation and Secretary, Information Technology.



**DEBI PRASAD PATRA** - Independent Director



Mr. Jyoti Kumar Poddar has rich experience as an industrialist with interests in multifarious sectors like tea gardens, real estate and power. He has handled the entire Indian & Sri Lankan operations in solar business for Shell Solar Ltd., Netherlands and is actively involved towards contributing to the green energy mission of the Country by way of setting up solar photovoltaic cell manufacturing unit and other power projects in India.

**JYOTI KUMAR PODDAR** - Non-Executive Director

Mr. Raghav Raj Kanoria holds a Bachelor's Degree in Commerce with experience in Power and Finance Industry. He is presently the Chairman of Infrastructure Committee of Indian Chamber of Commerce, Chairperson of East & North East Regional Council of The Indo-Canadian Business Chamber, Member of Task Force - Electricity Distribution, Government of Rajasthan and Managing Committee Member of Bengal Chamber of Commerce.



**RAGHAV RAJ KANORIA** - Managing Director



Mr. Asok Kumar Goswami has more than 40 years of working experience in India and Abroad. He has worked as Executive Director and Vice President in Indian and multinational companies. He has earlier worked as Commissioned Officer in Indian Air Force. He has attended Technical and Management course at Air Force Technical College at Bangalore and Commanders Course at Air Force Administrative College at Coimbatore.

**ASOK KUMAR GOSWAMI** - Whole-time Director



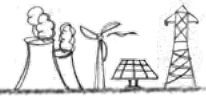


# Indian Economy continues to be a bright spot in the world economy



The growing population and increasing penetration combined with per capita usage will provide impetus to the power sector. With a production of 1,423 TWh, India is the third largest producer and consumer of electricity in the world. Although power generation has grown more than 100-fold since independence, growth in demand has been even higher due to accelerating economic activity. India's energy firms have made significant progress in the global energy sector, according to the latest S&P Global Platts Top 250 Global Energy Rankings, with 10 out of 14 Indian energy companies making it to the list.

India Power is encouraged to be a part of this growth in power sector in India. We see possibilities in the generation, distribution, trading and O&M services segment and aim to create value by leveraging our strengths. Over the years, India Power has grown to be an end-to-end utility service provider with presence in different parts of the power supply chain. India Power focuses on reducing the inefficiencies leading to customer satisfaction. Leveraging the specialized services in power generation, distribution and value added services, India Power is well poised to meet the industry's demand curve.



## IGNITING POSSIBILITIES



**9 Decade**

long legacy in power



**<3%**

T&D losses  
One of the lowest  
in the country



**99.99%**

Reliability Index  
One of the highest in the  
country



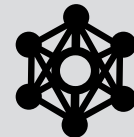
**>99.15%**

Collection Efficiency



**100%**

AMR implementation  
for HT users



**Smart Grid**

Implementation in  
Distribution Franchise



**JV with Uniper**

For O&M Services  
- one of the largest power  
companies in the world



**206,000**

Customers in  
Distribution Franchise



**620 MU**

Category III interstate  
trading license issued  
by CERC for trading on  
annual basis within India





## ABOUT IPCL

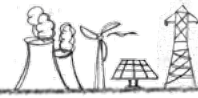


India Power Corporation Limited (IPCL) is a leading and reliable end-to-end energy solutions provider headquartered in Kolkata, West Bengal. The Company was incorporated in 1919 and has one of the oldest distribution license across an area of 618 square kilometres in Asansol – Ranigunj area of West Bengal. IPCL also operates 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.

The Company, over the last nine decades of its existence, has contributed to the growth and prosperity of its consumers, which includes government utilities, hospitals, industrial, commercial and residential consumers. With a strong expertise in Power Distribution Management, the Company today has a diversified portfolio of multi-location power distribution, power trading, O&M services and a burgeoning portfolio of conventional and renewable energy generation.







## VISION

A leading and reliable end-to-end energy solutions provider

## MISSION

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

To provide employees a strong sense of ownership, professional respect and pride resulting in high morale and performance

To increase stakeholder value through growth and profitability

## CORPORATE PHILOSOPHY



### Values

- Performance – target oriented
- Imagination and resourcefulness
- Support for employee empowerment
- Integrity, ownership & sense of belongingness



### Culture

A unique culture comprising three 'D's':

- Discipline
- Dedication
- Devotion



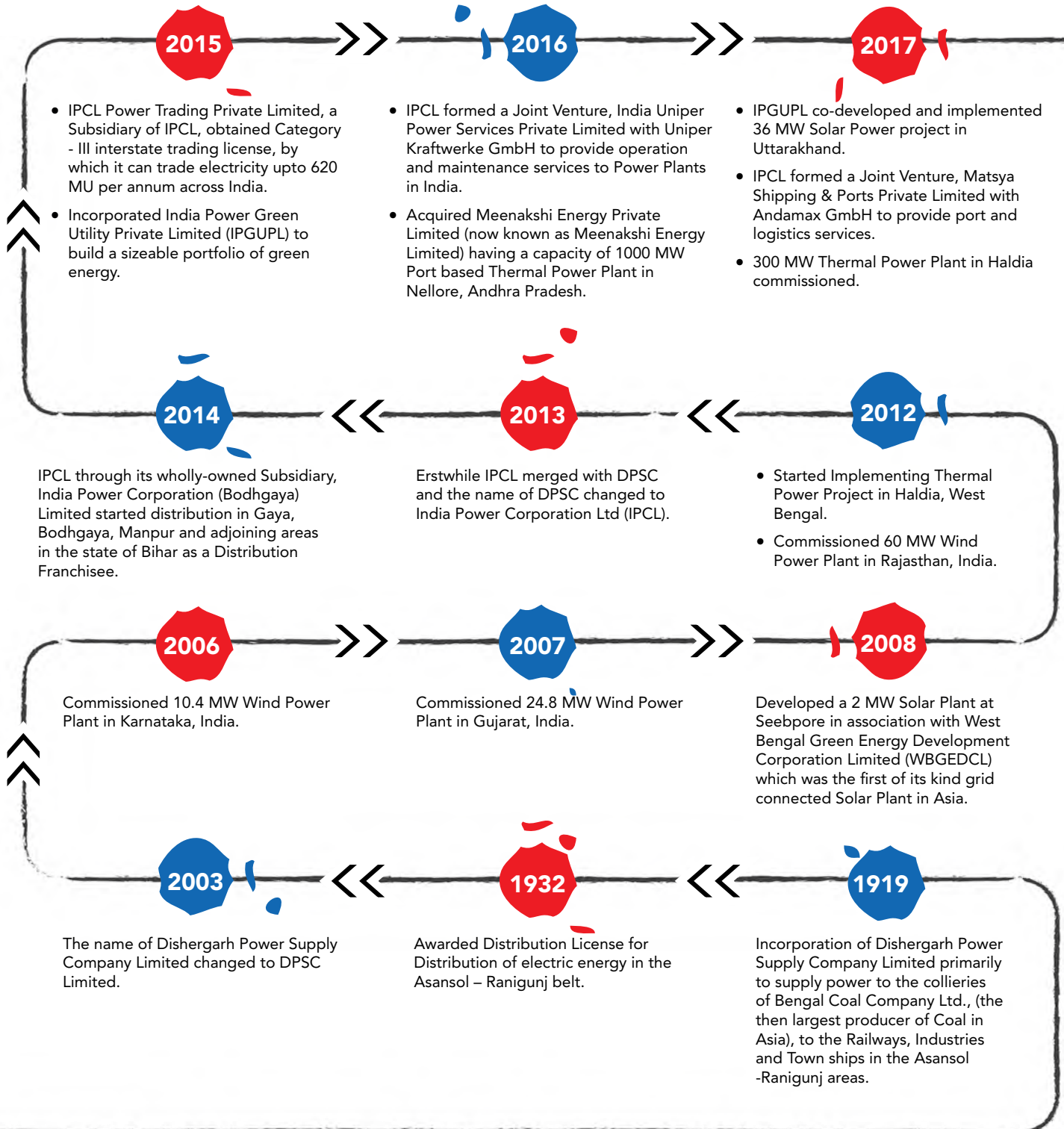
### Focus Areas

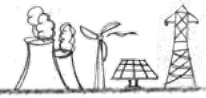
Together, we will achieve our vision by consistently growing through:

- Competitiveness and cost efficiency
- Constant search for opportunities
- Complementary strategic alliances
- Competency enhancement
- Customer orientation

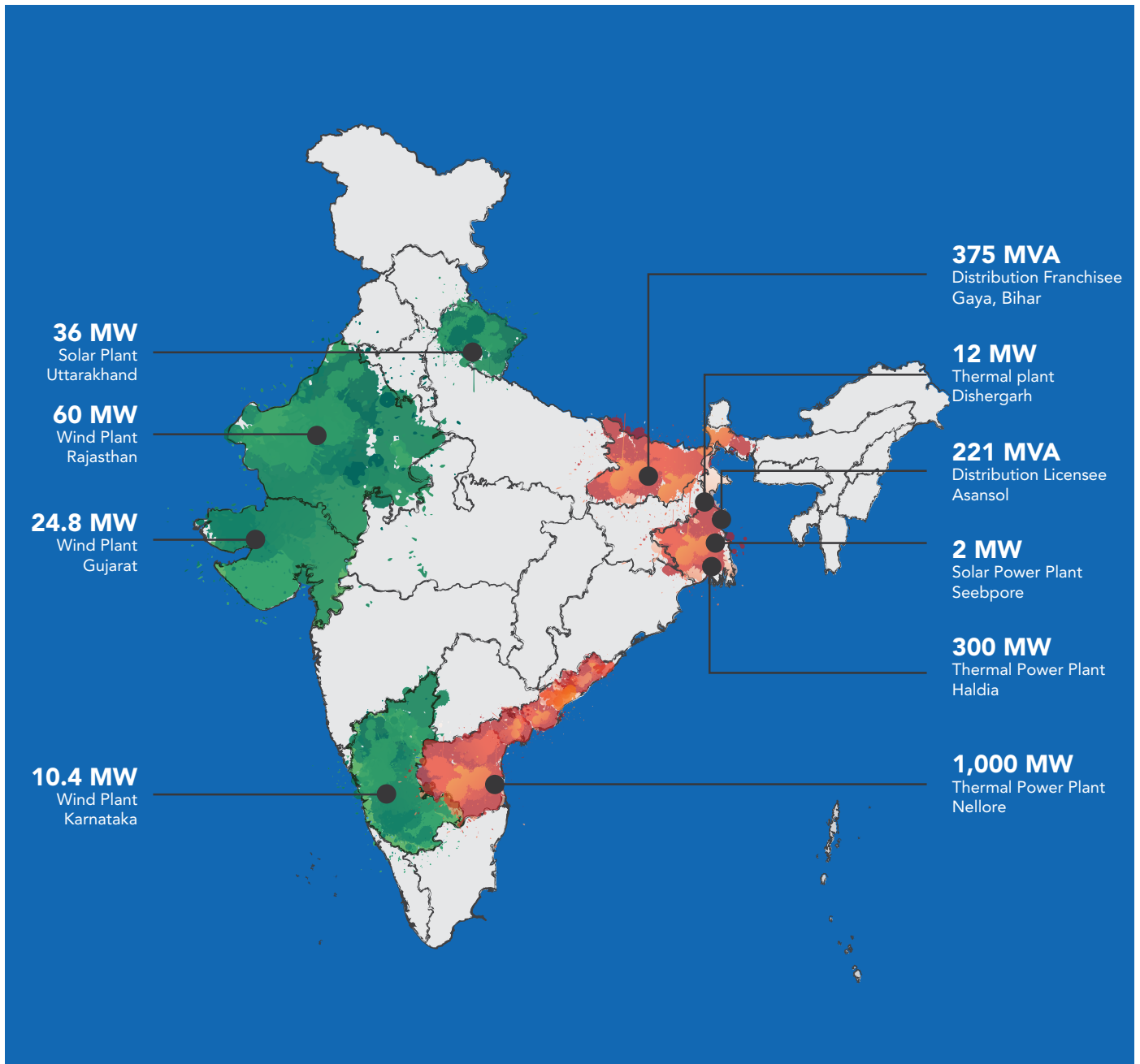


## EVENTS AND MILESTONES





## OUR REACH





## CHAIRMAN'S MESSAGE



*Dear Shareholders,*

The Financial Year 2017-18 will be remembered in history as one of the most tumultuous years for the power sector as the focus globally shifts towards green and sustainable energy. The future of power sector's growth has increasingly become dependent on factors like efficiency, cost-effectiveness, digitization, sustainability and most importantly environmentally conducive.

By 2030, the world's economic middle class population will likely expand from 3 billion to more than 5 billion. The growth will coincide with widely improving standard of living resulting in rising energy use in all countries as people develop modern business and gain access to various amenities. Global energy need is expected to rise by about 25% which will be mainly driven by growth in need in countries like China and India where the power need is said to increase by 40% which will be roughly equal to the load of energy used in United States of America today. Coupled by the increase in need, the demand for power is expected to grow by more than 60% between 2016 and 2040 led by near doubling of power demand in the other countries.

India is the world's fastest growing economy which is fuelled by large scale uptick in industrial production, growth in the working population and the improving standard of living in the country. India's power sector is dominated by fossil fuels which accounts for majority of the installed power generation capacity. India's national grid had a total

installed capacity of 344 GW as on June 2018, of which thermal power accounted for 223 GW, renewable energy accounted for 69 GW, while hydro and other sources accounted for 52 GW.

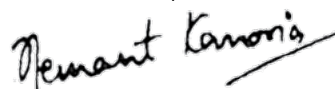
India at the current moment is a surplus power generating country, but due to inadequate connectivity and issues in the Transmission and Distribution (T&D) lines there is intermittent supply of electricity to the people of the country. For addressing this issue, the government has been implementing schemes like "Power for All" which aims to provide continuous and uninterrupted electricity supply to all households, industries and commercial establishments by creating and improving the necessary infrastructure. The "Power for All" is a joint collaboration of the Government of India and the State Governments where funding is shared.

It is estimated by an international energy agency that India is expected to add 600 to 1,200 GW of power generation capacity before 2050. With so much generation capacity being added in India over the next few years, there is huge potential for both conventional as well as renewable sources of power. Even if India reaches this very ambitious target, it will be pointless without efficient T & D. Towards addressing this issue, the Government of India has announced multiple schemes aimed at developing the distribution projects like the Integrated Power Development Scheme (IPDS), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Rural Electrification, National Electricity Fund and Financial Restructuring Scheme. Ratings agency Moody's has projected a stable outlook for power sector on account of the improvement in domestic coal availability, thus moderating the fuel supply risk. However, it has been a mixed bag for Ujwal Discom Assurance Yojana (UDAY). While the distribution utilities have seen an improvement in their liquidity, the extent to which their operational efficiency has improved still remains unclear.

Therefore, while there are many opportunities in the Power Sector in India, there are multiple challenges too. Primarily the challenges are in the generation and distribution sectors due to inadequate process streamlining. Your Company has been making various suggestions to the government from time to time and is sanguine that they would have a detailed evaluation towards policy process optimisation. The thermal power plants are facing a severe crisis which will result in billions of dollars of non-performing loans in the sector very soon. It is therefore imperative for the government to act urgently.

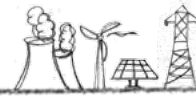
However, your Company, with over nine decades of experience in the T & D segment, presence in generation across coal, wind and solar plants and lastly but most importantly offering Operations & Maintenance (O & M) services through the Joint Venture partner - Uniper of Germany, is sure to overcome the problems and will continue to grow profitably.

With best wishes,



**HEMANT KANORIA**  
Chairman





## VICE CHAIRMAN'S MESSAGE



### Dear Shareholders,

The power sector has transformed significantly over past few decades. At a time when India's power sector is facing many challenges like fuel availability, low PLFs, poor financial health of state owned distribution companies etc. it has become ever more critical to reduce costs and increase efficiencies, which can only be possible through adoption of new technologies. How companies respond to technological advancements and how fast they adopt these will simply determine their future.

At India Power, adapting to change and thinking ahead of time is in our DNA. Adopting new technologies to improve our efficiencies is an ongoing process. We always thrive to implement state of the art technologies matching our objective to increase system efficiencies and thereby reducing T&D losses. We have taken several initiatives over the years that stand out as examples of such adoption of technologies.

India Power has undertaken Network Mapping & System study for proper monitoring of power flow, loss reduction and network revamping. We have implemented Network SCADA from 220kV up to 11kV level for more efficient on line load management, better monitoring, data logging & archiving, minimizing human error. This will definitely improve SAIDI, SAIFI parameters including Feeder Reliability Index. The use of Feeder Segregation and Sectionalizers for the important feeders will improve reliability for the important consumers. The use of Smart Meters, Automated Meter Reading implementation for Consumers, Distribution Transformers & Feeders has improved the collection efficiency.

India Power has developed O&M SOP and Protection Practice Procedure which are at par with other reputed utility companies in the world. We have revamped the Protection System with new generation back up relays with self-diagnostic features. Strict implementation of proper preventive maintenance of T&D Network in planned & effective manner has helped us reduce the AT&C losses. We follow zero tolerance on safety aspect and hence carry out Internal & External Audit on regular basis to review & ensure safety measures out as per statutory guidelines. We have established Customer Care Centres which are scattered through the operating areas at strategic locations so that consumers can pay their bills without much hazard. We have introduced on-line payment facility for the consumers, leading to increased operational efficiency.

We have also established efficient system for logging of consumer complaints so that consumers can log on their complaints 24x7 on line. We take consumer feedback and also arrange consumer meets for free & frank interaction. We monitor system reliability on daily basis and ensure immediate actions if required.

All the above initiatives taken by India Power are helping it to reduce the AT&C losses and leading to higher customer satisfaction. We want to be ahead of the curve and want to be early adopters of technology in the power sector. Our experience and understanding in the power sector complimented with the adoption of newer technologies has led to creation of sustainable assets which will increase the wealth of the shareholders.

With best wishes,

  
**SUNIL KANORIA**  
Vice Chairman



## MANAGING DIRECTOR'S MESSAGE



*Dear Stakeholders,*

I take immense pleasure in sharing with you all, the highlights of your Company's performance for the financial year ended March 31, 2018 and provide some insights into the year ahead.

Financial year 2017-18 was a year of both opportunities and challenges for the sector. The year was marked by challenges such as absence of PPAs, poor availability of coal leading to unprecedented stress in the thermal power sector. Discoms continue to make huge operational & financial losses. This continues to be a major issue for the entire power sector value chain. At the same time, Government initiatives such as "Saubhagya" & "24x7 Power to All" will certainly improve demand and create more opportunities for the power sector.

At India Power 'Igniting Possibilities' out of challenging scenarios lies in our genes. We look at challenges in a more opportunistic way. We tend to look at opportunities with a longer-term vision, which requires looking beyond the current challenges that the sector is facing and creating innovative solutions for better and sustainable growth tomorrow. We have proven this through our track record of continued healthy operational and financial performance over the years.

In the distribution segment, we are consistently striving towards reducing the T&D losses, leading to improvement in efficiency levels and improving customer satisfaction. We have been able to reduce our T&D losses in the Gaya Distribution Franchisee (DF) from more than 70% (at takeover) to 39.71% as on 31st March 2018. The distribution license in the Asansol – Raniganj area continues to be a key area of focus for the Company.

Our Company with an AT&C loss of 3% is the most efficient Company in India. The license business is implementing some key projects such as SCADA, 132kV Transmission line to strengthen network, IOT implementation for Distribution Transformers. These projects will help us to improve reliability and efficiency. We expect a strong growth in the distribution business in Asansol due to pick up in Industrial activity increasing energy consumption for our Industrial consumers. Our focus in the T&D space continues to be on loss reduction and also adding new licenses.

The generation segment has been one of the challenging segments not only for India Power, but also for the industry as a whole. The main challenges are of few long term PPAs and poor coal linkages. In our landmark acquisition of Meenakshi Energy Private Limited (now known as Meenakshi Energy Limited) from Engie, we have commercialized 300 MW and the balance 700 MW is in advanced stages of implementation and is expected to be operational very soon. The other thermal generation facility at Haldia has commissioned 300 MW with a PPA with WBSEDCL. The renewable portfolio of the Company is comfortably placed with long term PPAs for the entire portfolio. At a time when the Country is looking at falling tariffs in the renewable space, India Power has long term PPAs at very comfortable tariff rates. We continue to look at the renewable space as an opportunity to grow in a cautious and opportunistic manner.

Another segment which is extremely promising is our Operations and Maintenance services segment through our partnership with Uniper of Germany. In this segment we aim at providing the best-in-class Operations and Maintenance services to various power plants across the country in order to improve their efficiencies. The services would include plant operation and maintenance, asset monitoring software and analytical tools, flexibility of units, lifecycle extension and supply and integration of pollution control equipment and systems. With a large number of older thermal power assets and reducing power tariffs, this segment is going to emerge as our most promising one in coming years.

### Year under review:

India Power closed last financial year with a consistent performance. The total revenues on a standalone basis stood at ₹ 520.78 crore for FY18 as compared to ₹ 445.79 crore for FY17. The profit after tax stood at ₹ 21.34 crore as compared to profit after tax of ₹ 39.12 crore in the previous financial year. Our earnings per share (EPS) stood at ₹ 0.14 for the year ended on 31st March 2018. The Board of Directors recommended a dividend of 5% to the shareholders.

### Outlook:

Though the power sector is reeling with huge NPAs for banks, it still has huge potential considering that the industrial activity has just started picking up and "Power for All" is slowly becoming a reality. At India Power we remain confident of the future growth potential of the industry as well as our Company. We are taking all the right strategic initiatives to grow, differentiate and sustain. I would personally like to thank all our stakeholders for your support and confidence in our Company and its vision.

With best wishes,

**RAGHAV RAJ KANORIA**  
Managing Director





# Creating Opportunities

in a challenging business environment



At India Power, our focus is to better our processes which can lead to improved customer satisfaction and operational efficiency. Our power portfolio ranges from Generation, Distribution, Trading to O&M Services. Over the years, we have been able to improve our functional efficiencies by investing in technology leading to improved performance.

## DISTRIBUTION

The power sector in India has seen surge in per capita electricity consumption due to several reforms introduced in the transmission and distribution sector in the last few years. India Power sees distribution as a low capex and high return on equity business. The 100% electrification of rural areas which India recently achieved is going to benefit the power distribution sector hugely. With many rural households in the fringe area are still to be electrified, the distribution companies in India are going to be the beneficiary of this with the government's target of electrifying all households by the year end. India Power sees this as a huge opportunity in the segment. We have the experience in this segment along with technical expertise which has resulted into lower T&D losses and higher customer satisfaction. There are many areas in various states of India which are going to open for distribution license or franchise business. India Power looks forward to take advantage of this opportunity and bid for the same.

### Distribution License – Asansol, West Bengal

IPCL has one of the oldest distribution licenses with 9 decades of experience in power distributing across 618 sq. kms. in Asansol-Ranigunj area in Burdwan District of West Bengal. The Company has managed to reduce the T&D losses over a period of time to one of the lowest in the country of less than 3%.



#### Key Highlights

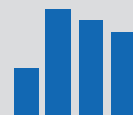
- Grid reliability of 99.99% (One of the highest in India)
- 100% AMR, pre-paid meter and SAP System implemented
- SCADA & smart meterings implemented



**~2,000+** Consumers



**~3%** T&D Losses



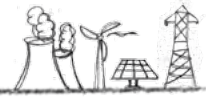
**20%** RoE



**99.15%** Collection Efficiency







## Distribution Franchise - Gaya, Bihar

In 2014, IPCL through its Wholly-owned Subsidiary, India Power Corporation (Bodhgaya) Limited took over the operations in Gaya, Bodhgaya, Manpur and adjoining areas of Bihar as a Distribution Franchisee covering an area of 1,630 sq. kms from South Bihar Power Distribution Company Limited.



### Key Highlights

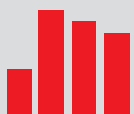
- Special maintenance of MVAC/ HVACC networks minimizing breakdowns and accidents to ensure uninterrupted power supply.
- Agreement with the US Trade and Development Agency for implementation of Smart Grid Technology to boost efficiency and reliability.
- Reduced T&D losses from 70% (at takeover) to 39.71%.
- Included around 30,000 new consumers in billing net.
- Installed 7,000 new Smart Meters, being ramped up to 40,000 this year.



**206,000** Consumers



**~39.71%** T&D Losses



**5.94%** RoE



**85%** Collection Efficiency





## GENERATION

The generation sector in India is dominated by the thermal power, even though the addition of renewables has been significant. The power sector has been suffering from lower tariffs and fewer PPAs. The country's total installed capacity of power plants as on 31st March, 2018 stood at 3,44,002 Mega Watts (MW) with renewable power plants constituting 33.2% of total installed capacity. India Power has a diversified generation portfolio with contribution from both conventional and non-conventional sources. We have been able to create a good mix of assets under our generation portfolio including thermal, solar and wind.

### Haldia, West Bengal

Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) incorporated in 2008 for setting up Thermal Power Plant at Haldia, Purba Midnapur, West Bengal, with State Govt. initiative and support for having private investment in the tune of ₹ 3,500 Crores in power sector which also support the ever increasing power demand. The plant will provide direct and indirect employment to local people and will support the State Government's commitment towards sustainable job creation for people of West Bengal. The plant has commissioned unit #I & II and unit #III is under implementation stage.



Features	
Installed Capacity	2x150 MW
Type of Generation	Coal Fired Thermal Power Plant
Fuel Source	Domestic & Imported Coal
Power Offtake	Power Purchase Agreement (PPA) with WBSEDCL
Resource Availability	Land – Industrial Land Allocated by Haldia Development Authority (HDA) Water – 15MGD Water Allocated by HDA Project Financed - Rural Electrification Corporation (REC) & Power Finance Corporation (PFC).





## Nellore, Andhra Pradesh

In 2016, IPCL acquired Meenakshi Energy Private Ltd (now known as Meenakshi Energy Limited), a Thermal Power producing company from a French company, Engie, with 300 MW of operational capacity and 700 MW of upcoming capacity. It is located in Krishnapatnam Port area in Nellore, Andhra Pradesh. Phase I (300 MW) is already operational and Phase II (700 MW) is under advanced stage of implementation.



### Key Highlights - Phase - I

- Established Central Laboratory to standardise testing methodology of coal as per International Standards (ASTM method)
- Introduced LDO firing in place of HSD for unit start-up, saving approximately 30 percent in the start-up fuel cost.
- Significant auxiliary power reduction within the stipulated short duration.
- Fine tuning of the O&M processes and parameters to reduce the consumption of station auxiliary power.



### Key Highlights - Phase - II

- Unit – III has been synchronised and 349 MW was achieved successfully in March 2018.
- Unit – IV is in the advanced stage of commissioning.
- The balance of the plant is operational with the cooling water outfall system in the advanced stage of completion.

### Features

<b>Installed Capacity</b>	300 MW and 1 x 350 MW
<b>Type of Generation</b>	Coal Fired Thermal Power Plant
<b>Fuel Source</b>	Domestic & Imported Coal
<b>Power Offtake</b>	PPA opportunities being pursued
<b>Resource Availability</b>	Land – Acquired entire land required for the project Water – Kandaleru creek at a distance of One kilometre from the project Site.



## WIND ENERGY

The Company runs its wind energy projects on an asset light structure, wherein it exclusively operates the wind farms for a fixed lease payment. All projects have secured long term PPAs. The Company ensures energy availability of above 90% and a Plant Load Factor of 18% across units.



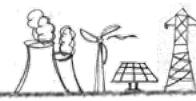
### Key Highlights

- Over a decade of experience in operating wind energy projects.

State	Overview	Capacity	COD	PPA term and body	Tariff INR/kWh
Rajasthan	Wind power plant at Jaisalmer district, Rajasthan in two phases; the power is sold to Ajmer and Jaipur DISCOMs	52 MW	March 2012	20 years – executed with Ajmer Vidyut Vitaran Nigam Limited	4.46
		8 MW	January 2013	25 years – executed with Jaipur Vidyut Vitaran Nigam Limited	5.18
Gujarat	Wind power plant at Rajkot and Kutch district	24.8 MW	March 2007	20 years – executed with Gujarat Urja Vikas Nigam Limited	3.37
Karnataka	Wind power in Chitradurga district, Karnataka	10.4 MW	March 2006	20 years – executed with Bangalore Electric Supply Company Limited	3.4







## SOLAR ENERGY

### Seebpore, West Bengal:

IPCL in association with West Bengal Green Energy Development Corporation Limited in 2008, has set up a Photo Voltaic Solar Power Plant. Located in Jamuria area of West Bengal, the plant has an annual capacity of 2 MW. Power generated is directly fed into the Company's distribution license at Asansol. It has reduced 0.7 metric tons of CO<sub>2</sub> emission per day.



#### Key Highlights

- First in India to cross the Megawatt threshold in solar.
- First grid connected solar power plant in India.
- First significant climate responsive project in South Asia.

### Rudrapur, Uttarakhand:

IPCL through its wholly-owned subsidiary India Power Green Utility Private Limited acquired, implemented and commissioned 36 MW Solar Power Plants in Rudrapur, Uttarakhand with secured long-term PPAs of 25 years.

#### Key Highlights

- The plants were commissioned in March 2017 having a blended tariff at INR 5.823/unit.
- Solar irradiation surveys have demonstrated 18.5% Capacity Utilization Factor (CUF) at the plants.

Particulars	PL Sunrays Power Ltd.	PL Solar Renewable Ltd.	PL Surya Vidyut Ltd.
Capacity	12 MW	12 MW	12 MW
COD	22nd March, 2017	22nd March, 2017	31st March, 2017
Tariff (INR)	5.99/kWh	5.84/ kWh	5.64/kWh
PPA body	Uttarakhand Power Corporation Ltd	Uttarakhand Power Corporation Ltd	Uttarakhand Power Corporation Ltd



## VALUE ADDED SERVICES

In India, all thermal plants combined spend approximately 60,000 Cr on value added services. The present value added services market consists of only basic services whereas IPCL aims to provide various services under this segment. Traditional O&M practices in India having multiple impacts like lower plant availability, higher station heat rate, higher auxiliary power consumption which in turn results in lower returns. There are inadequate investments in Repairs & Maintenance currently in India.

More than two-thirds of the electricity in India is generated through coal-fired thermal plants. Better the efficiency of a thermal plant, better the PLF of the plant. The PLF of thermal plants in India are declining every year. This is where the O&M services play a very important role in the operations of a thermal plant.

### India Uniper Power Services Private Limited

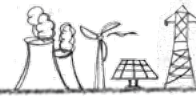
India Uniper Power Services Private Limited is a Joint Venture Company of India Power Corporation Limited and Uniper Kraftwerke GmbH (one of the largest energy companies in Europe), with the vision to become the first-choice energy service provider, creating and sustaining value for our customers.



**India Uniper Power Services Private Limited provides professional Engineering, Asset Management, Operations and Maintenance services to customers based on experience, proven technology and practices of international standards.**

India Uniper Power Services Private Limited has the objective to build a strong and recognised value and services proposition in the market by leveraging local network of India Power Corporation Limited and decades of international experience of Uniper Kraftwerke GmbH which is a leading energy company with operations in more than 40 countries and is operating more than 40 GWs of reliable power-generating capacity. Uniper Kraftwerke draws from over a century of engineering experience allowing the Company to challenge OEMs and optimise value while lowering risks and costs. Uniper Kraftwerke provides energy services to over 600 power sector and industrial customers all over the world.





## OUR SERVICE OFFERINGS LEADING TO



### IMPROVED RELIABILITY

Reduce downtime and unplanned costs



### REDUCED RISKS

Understand, minimize, and mitigate asset and operational risk



### IMPROVED EFFICIENCY

Take the plant performance to the next level

## BENEFITS FOR OUR CUSTOMERS



### INCREASED FLEXIBILITY

Open new possibilities through enhanced plant flexibility and plant responsiveness



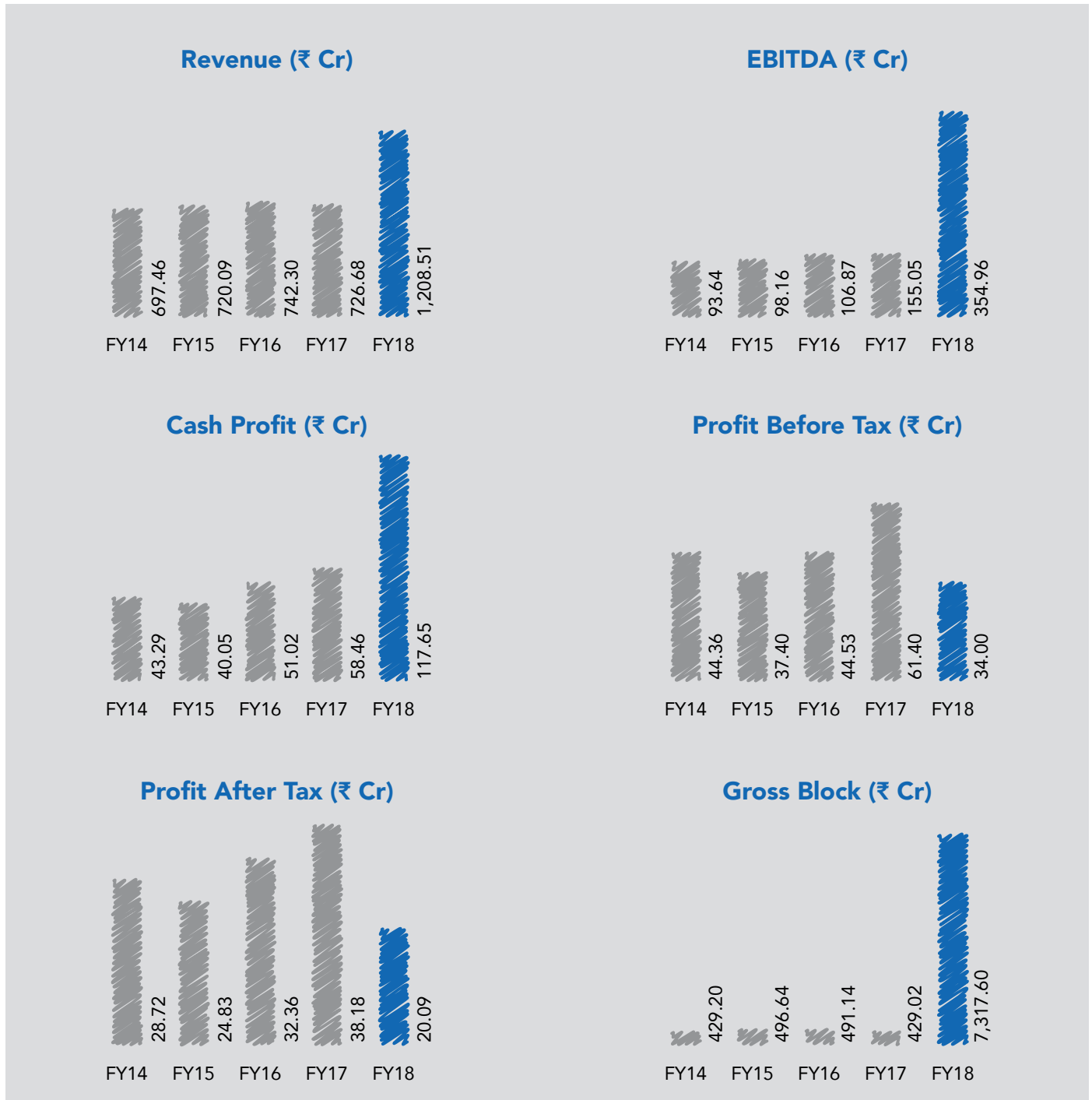
### INCREASED CAPACITY

Realize the potential and maximize value of assets





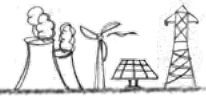
## FINANCIAL HIGHLIGHTS



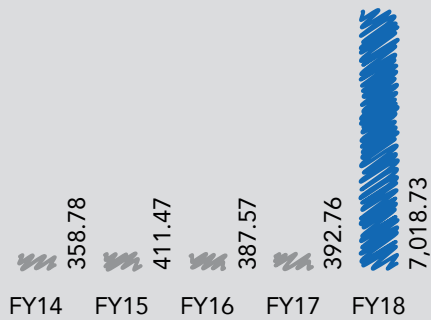
**Notes -**

1. The above figures are from respective year Consolidated audited financial statements.
2. Figures for the year 2016-17 and 2017-18 are Ind AS figures and hence not comparable with figures of 2013-14, 2014-15 and 2015-16.

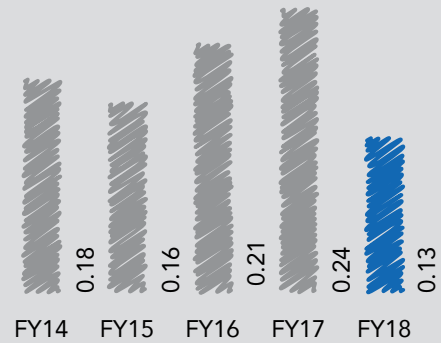




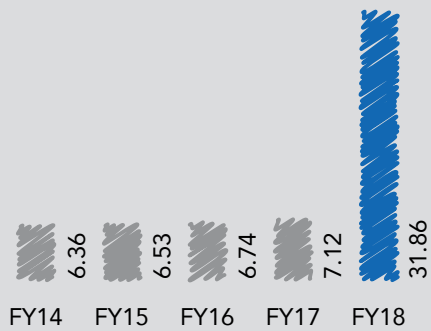
### Net Block (₹ Cr)



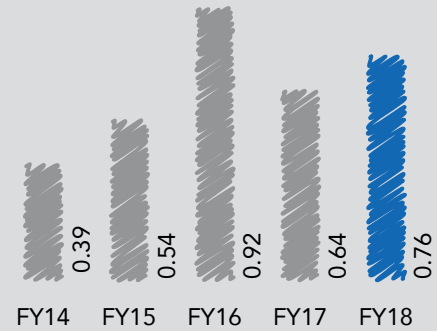
### Earnings per Share (₹)



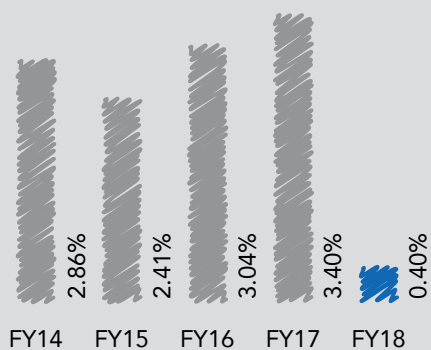
### Book Value per Share (₹)



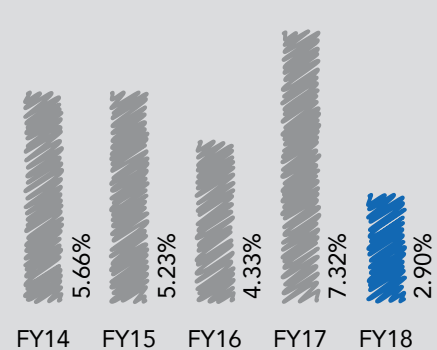
### Debt Equity Ratio



### Return on Equity (%)



### Return on Capital Employed (%)



**Notes -**

1. The above figures are from respective year Consolidated audited financial statements.
2. Figures for the year 2016-17 and 2017-18 are Ind AS figures and hence not comparable with figures of 2013-14, 2014-15 and 2015-16.



## AWARDS AND ACCOLADES



**India Power Wins The India Smart Grid Forum - Innovation Award**  
ISGF Innovation Awards recognizes individuals and organizations that have set new benchmarks in Smart Grid and Smart City domains.



**NIPM National Award for Best HR Practices 2017'**  
NIPM is a nonprofit making body devoted to building professional excellence in the field of Human Resource Management. The organizations that achieves the Institute's Global Standards gets NIPM Certification for a period of three years.



**OHSAS 1800:2007 by Royal Charter**  
OHSAS 1800:2007 Occupational Health and Safety Management Certification is an international standard which provides a framework to identify, control and decrease the risks associated with health and safety within the workplace.

**ISO 9001-2015 Certificate**  
ISO 9001 Certified" means an organization has met the requirements in ISO 9001. It defines an ISO 9000 Quality Management System (QMS). ISO 9001:2008 is focused on meeting customer expectations and delivering customer satisfaction.



**Great Place To Work Certified** MAY 2018-APR 2019  
The certificate for Great Place to Work is to certify that India Power Corporation Limited has successfully completed the assessment conducted by Great Place to Work Institute, India and is certified as a great workplace in the category of Small and Mid-Sized Organizations.





**ACT** Responsible, **THINK** Sustainable



At India Power, we contribute positively to the society by taking initiatives in various areas like Education, Women Empowerment, Rural Development, Skill Development and many more. We believe in maximizing our company's impact on the society by addressing the social issues which can contribute towards to nation building.



### Standing beside the Brave-Hearts

Acid Survivors & Women Welfare Foundation (ASWWF) (formerly known as Acid Survivors Foundation India) had been relentlessly working in eradicating Acid Violence from the society since 2010. ASWWF purports to be the leading NGO in India for prevention of acid burn violence as well as for providing support services to survivors through a network of chapters and partners, by sharing knowledge, expertise and best practices. ASWWF thrives to support Acid Attack Victims and help them regain self-confidence and self-dependability through vocational trainings, counselling and also provides them medical support. India Power Corporation Limited in order to support these brave-hearts provides financial support to ASWWF to give the survivors a better life and brighter future.



### Cleft Surgery

**"Smile is the most Beautiful Curve"**

India Power Corporation Limited associated itself with Mission Smile to give a lot of people the best gift of their life, their smiles and to provide them a joyful tomorrow. Mission Smile is a Medical Charitable Trust dedicated to provide free life changing cleft care and surgeries to children born with cleft lip, cleft palate and other facial deformities. Mission Smile provides comprehensive cleft care and surgeries free of cost to all patients in India. This year, patients from Asansol were chosen for medical screening and 10 patients were operated. The Company feels privileged to be part of such a cause and aspires to continue doing the same in the coming years.

### Standing Besides the Senior Citizens

India Power Corporation Limited in association with The Marwari Relief Society Hospital, Ranigunj, came up with a noble initiative of distributing sarees, women accessories and household items of daily needs to economically distressed widows residing in the adjoining areas of Ranigunj. India Power Corporation Limited has stretched out their helping hands by contributing to this project under the banner of "Mayer Anchole Barsho Boron" at the Ranigunj Chamber of Commerce located in Ranigunj.



### Project "Serve"

In order to ensure every child's right to proper education, India Power Corporation Limited associated itself with the Project "Serve" – an initiative of the Society for Community Intervention & Research. Eyeing at the development and upliftment of marginalized people of the community, IPCL donated books for development of a Library for the students and teachers. It has also donated computers, copies and text books to meritorious but socio-economically challenged students of the organization and to College Girls.

### Self-Development Training Program in Asansol

India Power Corporation Limited with a goal of illuminating people's lives with new possibilities, in association with NGO SRREOSHI (Society for Research & Rudimentary Education on Social & Health Issues) organized a year-long vocational tailoring training program with the objective of empowering marginalized women residing in the slum areas of Ranigunj. India Power Corporation Limited donated sewing machines to help the NGO conduct the activity with a well-established infrastructure. Out of these women few of them have become so skilled that the NGO is thinking of deploying them as assistance to the Tailoring Trainer for the upcoming training sessions.







### Soccer Tournament for girls in Asansol

India Power Corporation Limited in association with United Religions Initiative, an NGO based out of Asansol conducted "India Power Women Soccer Tournament" in Asansol, West Bengal. The primary objective of the tournament was not only to support women sports but also to empower them and instil confidence & competitiveness in them.



### Eye Check-Up & Blood Donation Camp in Haldia

Hiranmaye Energy Limited (formerly India Power Corporation (Haldia) Limited) organized a free Eye check-up camp in association with Vivekananda Mission Ashram, Ramnagar and Binoyi Sangha, Kismat Shibramnagar. The patients who had to undergo cataract surgeries were taken care of by Vivekananda Mission Ashram free of cost. A Blood Donation Camp was also organized at Binoyi Sangha and 110 units of Blood were collected in the presence of licensed doctors.



### IPCL Constructs the First-Ever Air-Conditioned Bus Stand in Asansol

As a part of its Rural Development and Social Welfare Initiatives, India Power Corporation Limited, on the 132nd year of Asansol Municipality bestowed Asansol with the first ever Air Conditioned Bus Stop at B. B. College More, Ushagram, Asansol in association with Asansol Municipal Corporation (AMC) and cooperation and support from Mr. Jitendra Tewari, Mayor - AMC. This was primarily constructed to serve the elderly people and women especially during the scorching summer of Asansol.



### Blood Donation Camp by Meenakshi Energy Limited

Meenakshi Energy Limited (MEL) in association with Indian Red Cross Society (IRCS) organised a Voluntary Blood Donation Camp. Each donor was awarded with an Insurance certificate worth ₹ 50,000 (Accidental Insurance Policy) from IRCS, Appreciation Letter from Governor of Andhra Pradesh, Blood Profile Report and Identity Card that can help the donor to get blood from IRCS in case of emergency.



### Renovation of Jay Prakash Jharna

India Power Corporation (Bodhgaya) Limited took up the responsibility to renovate Jai Prakash Jharna which is one of the important places in Gaya. The inauguration programme was graced by Municipal Commissioner – Gaya. The primary objective of the activity was to gift the citizens of Gaya a green and clean city.



### Medical camps in Gaya, Bodhgaya & Manpur

With a view to provide proper healthcare to the underprivileged and needy citizens of districts of Gaya, Bodhgaya and Manpur, India Power Corporation (Bodhgaya) Limited organised various medical camps in those districts in the presence of specialist Doctors. During these camps, people participated in large numbers.







**Distribution of Woollen Garments and Blankets**

The extreme weather conditions always have a saddening effect on the socio-economically challenged mass of the society. India Power Corporation (Bodhgaya) Limited came forward and distributed woollen garments and blankets amongst these people with the hope of minimising their sufferings from the harsh winter.



**India Power celebrates World Environment Day**

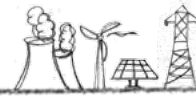
India Power Corporation Limited recognises its duty to keep the environment clean and green and take steps towards preserving it. India Power Corporation Limited celebrated the World Environment Day on June 5, 2017 in association with Acid Survivors & Women Welfare Foundation (ASWWF) (formerly known as Acid Survivors Foundation India) and Ecological Welfare Society. The day was marked by sapling plantation by the Company's officials, employees, acid attack survivors and representatives from the Ecological Society. In Haldia, saplings were planted and in Asansol plantation drive was organised in the esteemed presence of Dr. H.P. Kanoria.



**Water Purifier Donated by India Power Corporation Limited in Burdwan Area**

India Power Corporation Limited through its year-long project with Asansol-based NGO Ujjiban-03 donated Water Purifiers to 12 Primary Schools, 5 Secondary Schools and 4 Communities of Burdwan area. This initiative has direct effect on the health of the students and the people as majority of diseases are spread through contamination of water.





## CUSTOMERS SPEAK

“ I am very satisfied with all the services rendered by India Power.

- R.K. Mittal - Industrialist, Asansol

”

“

The quality of power is very good, power cut frequencies are low and there are no power fluctuations.

- Avishek Sharma - Industrialist, Asansol

”

“

The services are very good. Since electricity is one of the main sources for doing business, IPCL provides the same uninterruptedly. In case of any problem, within one hour it gets solved.

- Karan Bir Khaitan - Industrialist, Asansol

”

“

Maintenance and quick response during emergency like stormy weather is exceptional. We are happy with the IPCL team.

- Bhaskar Kulabhi - Industrialist, Asansol

”

“ We are getting very good service.

- Arun Gopalka - Promoter, Asansol

”

“

I advise to all the industries to go for India Power.

- Subir Ghosh - Promoter, Asansol

”

“

We are very happy and satisfied with the service we have been getting in this Nursing Home. We have 15 Air Conditioners installed and none of them has a stabilizer attached to it. It is all because of the quality service India Power is providing since 2015.

- Dr. Shahbaz Hussain  
- Med Care Nursing Home, Gaya

”

“

Ever since India Power has come to Gaya, the quality of electricity service which we are getting and has improved more than 90% in comparison to the earlier days. It is India Power who came in and took up the initiatives to change the wires which were installed during British era.

- Mr Kanhaiya Lal Mishra  
President - Vishnupad Temple Prabhand  
Karni Samiti, Gaya

”





# INDIA POWER MAKES HEADLINES

Times of India - 30th May, 2017

## Son-rise at India Power Corp: Raghav Raj appointed new MD

TIMES NEWS NETWORK

Kolkata: Hemant Kanoria, the chairman of Srei Infrastructure and India Power Corporation Ltd (IPCL), unveiled succession plan for its power business on Monday. Hemant's son Raghav Raj Kanoria took over as the managing director of India Power on Monday.

The India Power board appointed junior Kanoria as the MD apart from adopting the annual and quarterly results of the power utility.

Raghav Raj, 26, was associated with the power business for the last six years.

Following the meeting, Hemant told TOI that Raghav was associated with various verticals of his power business. "He (Raghav) was instrumental for the acquisition of Meenakshi Power. He was inducted in the board today only and specifically for this purpose (MD). He was a full-time director in IPCL, Budh Gaya, too."

Commenting on his appointment, Raghav Raj said, "I have been working in the company for the last six years and across the distribution finance, generation, mergers and acquisitions verticals, which have provided me with valuable insights and hands on experience."

Elaborating the future plans, the IPCL chairman said that it would apply for the distribution



NEXT GEN: Hemant & Raghav Raj Kanoria

license in Burdwan West. The firm is a distribution licensee for Asansol Dishergar area along with DPL, DVC and WBSEDCL. It has applied for distribution licence in East Midnapore. "We are awaiting communication from West Bengal State Electricity Regulatory Authority," he said.

India Power is setting up a 450 MW thermal power unit in Haldia. The first phase of 150 MW has been commissioned while the second phase of 150 MW is likely to be commissioned in the next few months. However, the proposed third phase of 150 MW has been put on hold as the Haldia unit is yet to receive any power purchase agreement. The company is also investing Rs 235 crore for commissioning of 36 MW solar unit in Uttarakhand. It posted a net profit of Rs 37.29 crore in 2016-17 and the revenue was Rs 726 crore.

Business Standard - 29th May, 2017

## India Power Corp strengthens generation capacity

AWISHEK RAKSHIT  
Kolkata, 29 May

Faced with tepid power demand from the power distribution companies (discoms), as the energy scenario in the country remains muted, India Power Corporation (IPC) is focussing on increasing its generation capacity through the acquisition route as it believes that there will be a demand rebound in the next one-and-a-half year.

After the acquisition of 89

per cent controlling stake in the 1000 megawatt (Mw) Meenakshi Energy power plant in Nellore, Andhra Pradesh, the company has acquired a 36 Mw solar power plant from Punj Lloyd in Uttarakhand where it is investing ₹225 crore.

Currently, IPC's generation capacity stands at 1650 Mw, of which around 450 Mw has been commissioned while it has short term power purchase agreements (PPA) with Telengana and Andhra

Pradesh for 200 Mw.

The company's chairman, Hemant Kanoria said that project commissioning is being delayed on account of the tepid demand of power from the discoms. However, the company is keeping provisions ready to commission the projects once demand starts picking up. His son, Raghav Raj Kanoria, who is taking dual charge as IPC's additional director as well as the managing director June 1 onwards, said, "In another 1-1.5 years, we expect the demand

from discoms to pick up". However, although its 250 Mw is idling on account of lack of power purchase agreement (PPA), IPC isn't keen to sell power to the exchanges. "The rate is low and we would prefer not to sell more than 30 per cent of the total generation to them," Raghav Raj Kanoria said adding that IPC is eyeing further acquisitions in Uttar Pradesh, Jharkhand and Maharashtra, both in the renewable as well as the thermal categories.

Hindu Business Line - 8th November, 2017

## Without PPAs, generators 'must plug into open-market play'

India Power MD says renewables changing the dynamics in the sector

PRATHIMA NANGAN BOSE,  
ADISHKES LAW  
Kolkata, November 8

The electricity generation sector, which relies on coal, must prepare to operate in an open-market scenario with adequate technical flexibility to meet peaking power demand in view of the rise in renewable energy generation, feels Raghav Raj Kanoria, MD of Kolkata-based India Power Corporation Ltd.

India Power has a 300 MW power plant, Meenakshi Energy, in Nellore in Andhra Pradesh, which uses imported

coal. The total generation capacity would rise to 600 MW when two units - 150 MW each - become operational at Haldia in West Bengal (Haldia Power). If that's not all, the capacity of Nellore plant would be raised to 700 MW in a year's time.

But India Power does not have a single power purchase agreement (PPA) in place. The last one of 200 MW for Meenakshi Energy expired in June this year. The West Bengal government cancelled the 300 MW PPA at Haldia to rely on open-market

purchases. The company also has power distribution rights at Asansol in West Bengal and Gaya in Bihar, but the sourcing arrangement has no synergy with the generation business, which solely depends on open-market demand.

"We will surely look into grabbing PPA opportunities, if any. But States are not showing any urgency to enter long-term contracts," Raghav (27), son of SREI Group Chairman, Hemant Kanoria, told BusinessLine. That surely makes the going tough for India Power. Barring the last three months, when open-market power demand peaked, Meenakshi operated



Raghav Raj Kanoria, MD, India Power 06850918400

at 40 per cent PLF (Plant-load factor). But Raghav is unfazed.

"While the demand situation would improve with time, the demand dynamics will be more complex in view of the increasing arrival of solar plants. This means coal-based plants should have the

technical ability to step up quickly and tap the peak demand window," he said.

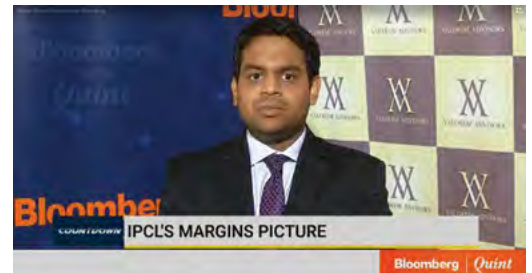
### Power distribution

India Power is focussing on enhancing its stake in the power distribution business. The distribution franchise in Gaya was successful in reducing AT&C losses from as high as 80 per cent to 40 per cent in the last three years.

"We are targeting to bring the distribution losses to 25 per cent in the next one year," he said. The company is evaluating the possibilities of participating in distribution franchises offered by Odisha.

"We are eyeing more distribution contracts," said Raghav.

Interview with Bloomberg - 20th March, 2018



Economic Times - 17th August, 2017

## India Power in Talks to Acquire Three Green Power Plants

Debjoy Sengupta  
@timesgroup.com

Kolkata: India Power Corporation is in talks with three large non-power companies in Gujarat and West Bengal for acquiring their renewable generation capacity totalling 110 mw, a top official said.

"Having successfully acquired 1,000 mw thermal power capacity of Meenakshi Energy from French Power company Engie in February last year, we are now looking at acquiring renewable assets from non-power companies that are not keen on maintaining these assets," said Raghav Kanoria, managing director at the Kolkata based power generation and utility firm.

"The capacities under radar include two solar generation units of 25 mw each and a wind power capacity of about 60 mw," he said.

Due diligence for the properties are currently on and the company intends to make an announcement soon, he said.

Kanoria did not disclose how much India Power would shell out for the three assets, but said the company is likely to invest Rs 1,000-1,500 crore in the segment, "including the acquisitions for which we are in talks", in the next couple of years when it plans to increase its capacity to 300 mw from 130 mw "through both organic and inorganic routes".

While refusing to divulge any name, he said one of the

companies India Power is in talks with for renewable energy plant buy is "a large plastic product manufacturer". At present India Power group, with a total asset base of Rs 15,000 crore, has wind generation capacities of about 95 mw and solar generation capacity of another 36 mw.

"We would be looking at stressed assets in the renewable segment, especially from companies that set them up at a time when cost

of renewable generation was high," Kanoria said. "A large number of non-renewable companies have set up renewable capacities that they now do not intend to carry on their books. These

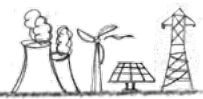
are capacities which has the potential of increasing efficiencies by making margin all investments." He expects a large number of assets to be on sale soon as many solar and wind power companies are having a hard time running their projects. "Infact, a large number of renewable companies are under stress nad few of them could be on the blocks soon," Kanoria said. "We would be on the lookout for new opportunities that come up in the segment. In fact, at present there are some 30 projects that could be set up for sale anytime soon," he said.



Due diligence for the properties are currently on and the co intends to declare it soon







Prabhat Khabar - 3rd November, 2017

इंडिया पावर की सहयोगी कंपनी भारत-पे ने लांच किया पेमेंट कार्ड, अद्यार नंबर से लिंक कर लोग वा सकेंगे काई

बिना बैंक अकाउंट के भी प्रयोग कर सकते हैं डेबिट कार्ड

पिअरले सिव के अध्यक्ष प्रमथ गंधीजी ने भी कर सकते हैं प्रयोग



पब्लिक से जुड़ने का भी करे प्रयास : आयुक्त

मीटर रीडिंग पर वाट कर, बाकी ला वेकर है

आयुक्त ने कहा कि उनके कार्ड पर भी प्रयोग कर सकते हैं... मीटर रीडिंग पर वाट कर, बाकी ला वेकर है... प्रयोग कर सकते हैं... मीटर रीडिंग पर वाट कर, बाकी ला वेकर है...

Financial Chronicle - 21st November, 2017

Tech role in raising power sector efficiency stressed

Ritwik Mukherjee Kolkata



The low cost of thermal generation... The Indian power sector needs a paradigm shift in the operating processes of thermal generation plants, with greater focus on efficiency and flexibility. And technology interventions and data analytics would certainly play a major role towards this goal, said Kanoria.

India Uniper Power Services (IUPS), the 50:50 joint venture between India Power Corporation (IPCL), a Kanoria Foundation entity, and Uniper of Germany, is betting big on prospects of technology intervention and data analytics in thermal power sector in the country.

with 3-4 private and public sector power utilities to operate and manage plants... Technology, more particularly technological interventions, is going to play a big role in Indian thermal power sector. Analysis of data or data analytics on the basis of weather and other external parameters will also play a crucial role in energy sector, especially in thermal power sector and IPCL, is reaching itself for that, said Kanoria.

IPCL, which had earlier set a target of doubling its overall capacity over two-three years, will now focus more on distribution and is open to all the models - PPP, MBC (metering, billing and collections), DFA (distribution franchisee agreement)...

Aaj - 3rd November, 2017

इंडिया पावर ने लांच किया भारत पेय पेमेंट कार्ड

गया। इंडिया पावर बहुवैकल्पिक पैमेंट योजना भविष्य में लाने की घोषणा के बीच तामझाम के साथ गुल्बार्गा को विष्णु बिहार के साभागार में इंडिया पावर के द्वारा आयोजित समारोह में मांग प्रमण्ड आयुक्त जीतेन्द्र श्रीवास्तव ने इंडिया पावर भारत पेय पेमेंट कार्ड का विधिवत लोकार्पण किया। कार्यक्रम का शुभारंभ मुख्य अतिथि जीतेन्द्र श्रीवास्तव, एडीजी-1 के ज संजय कुमार झा, इंडिया पावर सीओ सजीव सेठ, सेसन जज एडीडी रयाम किशोर झा, चैम्बर ऑफ कॉमर्स के अध्यक्ष शिव कैलाश डालामिया संयुक्त रूप से दीप प्रज्वलित कर किया। कार्यक्रम के दौरान गणमान्य उपभोक्ता भी उपस्थित थे। कार्यक्रम को संबोधित करते हुए मांग प्रमण्डल आयुक्त जीतेन्द्र श्रीवास्तव ने कहा कि इंडिया पावर उपभोक्ताओं के कसौटियों पर सौ फिसदी खरा उतरने का प्रयास कर रही है।

हालांकि शिकायतें भी हैं। मगर उतनी गंभीर नहीं, जितनी सुविधा मिल रही है। ज्ञात हो कि यहाँ बिजली विद्युत विभाग निजिकरण के पूर्व घाटे में चलता था। 78 प्रतिशत शिकायतें दर्ज होती थीं और अक्सर घाटे में रहती थीं, निजिकरण के बाद विद्युत व्यवस्था का कायाकल्प हो गया। राजस्व के मामले में जहाँ, शत प्रतिशत लक्ष्य को प्राप्त कर रहा है, वहीं जन सुविधाएँ में भी बढ़ोतरी हुई है। इंडिया पावर ने भी कई सरकारी के डिजीकरण या कहिये कैशलेस व्यवस्था की और कदम बढ़ाते हुए इंडिया पावर भारत पेय पेमेंट कार्ड को लॉन्च कर जनता के लिए सुविधा मुहैया करा दी है। कालान्तर में भी इंडिया पावर अन्य प्रकार की सुविधाओं का लोकार्पण करेगी। इस अवसर पर एजीएम राकेश रंजन, अनिल स्वामी, डा. अरविन्द कुमार सिंह समेत कई पदाधिकारी व कर्मचारी उपस्थित थे।

Danik Khabar - 4th September, 2017

पितृपक्ष मेला क्षेत्र के लिए 24 घंटे 75 मेगावाट बिजली

मेला क्षेत्र में आने वाले 27 ट्रांसफार्मर बदले गए 35 ट्रांसफार्मरों की हुई मरम्मत

बिजली प्रदाता : अद्य



राजधानी-मंडी पर बिजली घर की मरम्मत करते मिलने : अजयल

एक पक्षधर एक पक्षधर वाले पितृपक्ष मेले में बिजली विद्युत अभाव की घबराहट थी। इंडिया पावर ने इससे निपट कर पितृपक्ष के लिए 24 घंटे 75 मेगावाट बिजली की व्यवस्था की।

सर्वदा का रखा गया पूरा खाल... 24 घंटे मोबाइल पैक... बिजली प्रदाता ने इस अवसर पर बिजली की आपूर्ति को सुनिश्चित करने के लिए 27 ट्रांसफार्मरों को बदल दिया और 35 ट्रांसफार्मरों की मरम्मत करवा दी।

Electra - March, 2018



“Power industry is under positive stress”

Anand Bansal, Chief Executive Officer, India Uniper Power Services

How are you likely to leverage mega expo-Electra? Electra is giving us a great platform to connect with sector thought leaders, like-minded industry professionals, potential clients and stakeholders.

mentioned earlier, we are betting on efficiency and reliability improvement technologies. “Data” and “digitisation” will play a key role in determining which power plants will survive and for how long.

arrangement, but these are more like exception than norm. Unorganised sector is surviving, and shall continue to do so in providing services, be it in O&M, installation, retrofit, shut down or break down.

What are the opportunities you see in the power equipment industry?

The power industry in general is under stress and I would call it “positive” stress. This positive stress is the main driver which is shaping the market and is compelling the supplier to innovate both in terms of technology and agility.

What opportunities do you see in the power equipment industry? The power industry in general is under stress and I would call it “positive” stress. This positive stress is the main driver which is shaping the market.

What initiatives can boost R&D in the power equipment sector? India Uniper Power Services being a JV of Uniper Kraftwerke GmbH and India Power has access to Uniper’s R&D and innovations that is globally respected for its high-end results.

How emerging technologies impacting pricing and efficiency?

Most of emerging technologies are tightly coupled to the positive stress on the power sector. As

To what extent have we adopted global benchmarks?

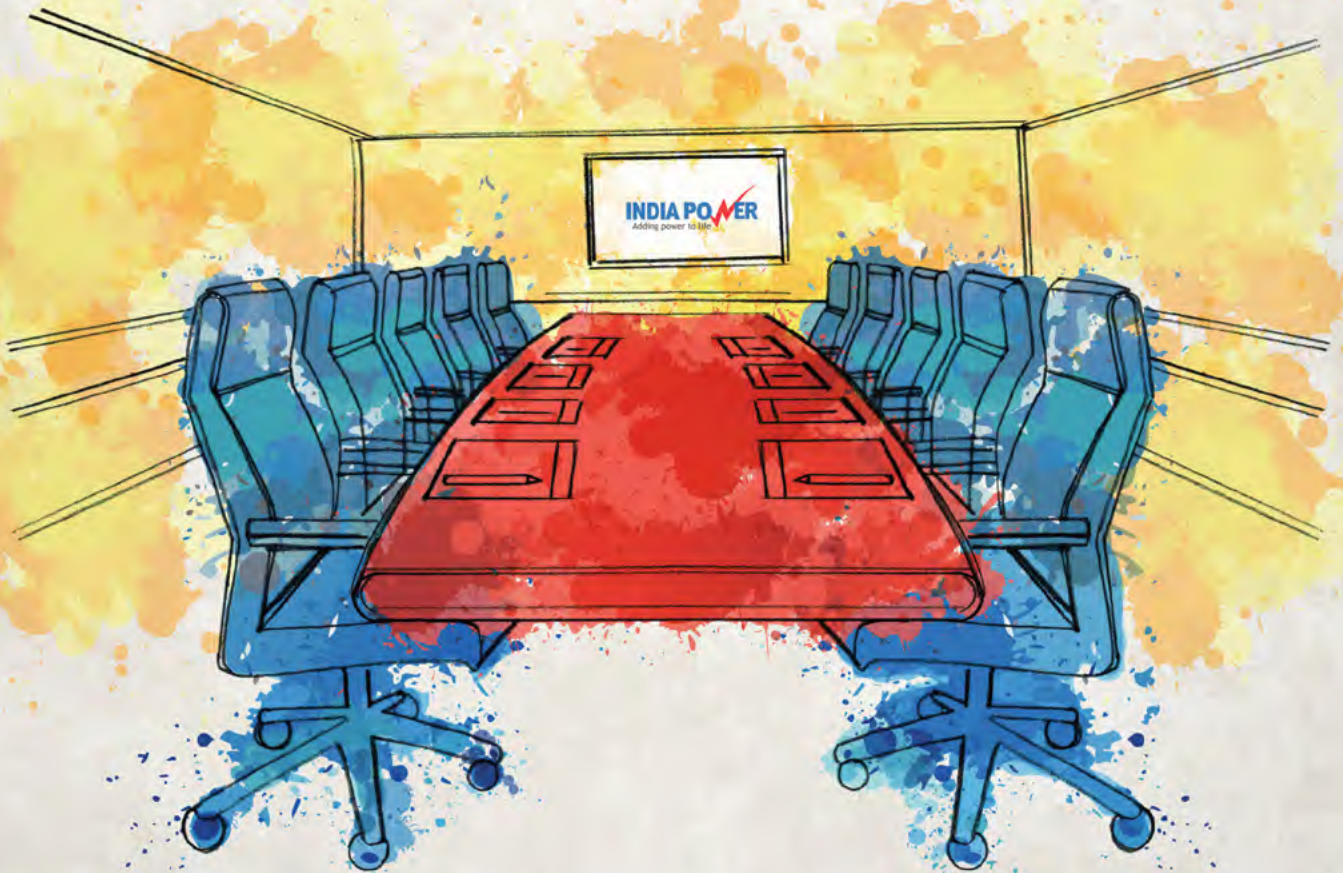
Indian market is tightly integrated to global benchmarks and standards. The general level of awareness within the power sector in India is quite high.

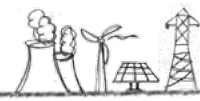
Having said that, there may be pockets of tailor-made solutions that are being used as a stop gap arrangement, but these are more like exception than norm.





# Board's Report





## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Ninety-Eighth Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2018.

### FINANCIAL RESULTS

The consolidated and standalone financial performance of your Company is summarised below:

Particulars	Consolidated		Standalone	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Total income [including Regulatory income/(expense)]	120,851.32	84,901.78	52,077.59	44,578.78
Total expenditure	121,288.24	96,555.97	48,614.46	43,128.01
Exceptional items	3,749.38	32,238.99	-	4,673.56
Share of Profit/(Loss) of Joint Venture	87.53	(56.42)	-	-
<b>Profit before Tax</b>	<b>3,399.99</b>	<b>20,528.38</b>	<b>3,463.13</b>	<b>6,124.33</b>
Less: Provision for Taxation				
Current Tax	1,261.63	1,687.78	1,258.00	1,645.63
Deferred Tax	129.81	633.96	70.69	566.66
<b>Profit after Tax</b>	<b>2,008.55</b>	<b>18,206.64</b>	<b>2,134.44</b>	<b>3,912.04</b>

(₹ in lakhs)

### REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

#### KEY HIGHLIGHTS

- Net Worth increased by 1.90% to ₹ 1,14,119.11 Lakhs from ₹ 1,11,987.33 Lakhs
- Revenue (including Regulatory income/expense) increased by 16.82% to ₹ 52,077.59 Lakhs from ₹ 44,578.78 Lakhs
- EBIDTA declined by 6.16% to ₹ 12,903.04 Lakhs from ₹ 13,749.34 Lakhs

Your Company has a diversified portfolio of renewable and conventional modes of power generation, transmission, multi-location distribution, power trading, operation & maintenance and logistic outfits. Your Company has one of the oldest distribution licenses across 618 sq. kms. in Asansol-Raniganj area of West Bengal.

India Power Corporation (Haldia) Limited (now known as Hiranmaye Energy Limited), commissioned 300 MW Thermal Power Plant in Haldia, West Bengal. Meenakshi Energy Limited (formerly known as Meenakshi Energy Private Limited), an Independent Power Producer in India, owns and operates coal fired plant in Thamminapatnam village of Nellore, Andhra Pradesh.

Your Company undertakes the Distribution Franchisee business in Gaya, Bodhgaya, Manpur and the adjoining areas in the State of Bihar through India Power Corporation (Bodhgaya) Limited, a Wholly-owned Subsidiary of your Company by procuring power from South Bihar Power Distribution Company Limited and selling it to the consumers in the franchise areas. IPCL Power Trading Private Limited, a Subsidiary of your Company has a Category III Inter-State Trading License issued by the Central Electricity Regulatory Commission through which it can trade upto 620 MU of electricity on pan India basis per annum.

India Power Green Utility Private Limited, a Wholly-owned Subsidiary of your Company, focuses on developing and / or acquiring green assets to build a sizeable portfolio of green energy. India Power Green Utility Private Limited partnered with Punj Lloyd Infrastructure Limited to co-develop 36 MW (12 MW each) of solar assets in Uttarakhand, executed by PL Sunrays Power Limited, PL Solar Renewable Limited and PL Surya Vidyut Limited.

Your Company has a Joint Venture with Uniper Kraftwerke GmbH, India Uniper Power Services Private Limited, to provide a range of value added services to power plants in India which includes asset management services for power generating assets both for new build and plants under operation, whether operated by thermal, gas or renewable power.

For providing logistics, infrastructure building, designing, developing and setting up of transshipment/transloading facilities/floating transfer





facilities your Company has a Joint Venture, Matsya Shipping & Ports Private Limited with Andamax GmbH.

Your Company maintained its consistent operating performance during the year under review. The total income (including Regulatory income/expense) was recorded at ₹ 52,077.59 Lakhs for the financial year ended 31st March, 2018, in comparison to the previous year figure of ₹ 44,578.78 Lakhs. Your Company supplied 705.16 Million Units of power in its license area in West Bengal and 121.83 Million Units of wind power in the States of Rajasthan, Karnataka and Gujarat during the financial year ended 31st March, 2018 as against 676.74 Million Units and 133.37 Million Units respectively for the previous year. The Profit after Tax for the financial year ended 31st March, 2018 was recorded at ₹ 2,134.44 Lakhs, as compared to previous year's figure of ₹ 3,912.04 Lakhs.

For detailed information on Company's operations, state of its affairs and outlook, please refer to the Management Discussion & Analysis Report as stipulated under Regulation 34(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") which is attached to this Report as **Annexure I**.

PL Surya Vidyut Limited became Subsidiary of India Power Green Utility Private Limited, a Wholly-owned Subsidiary of your Company w.e.f. 23rd June, 2017 in terms of the provisions of Companies Act, 2013 (hereinafter referred to as "Act"). Edison Power Limited, a Subsidiary of IPCL Pte Limited, the Wholly-owned Foreign Subsidiary of your Company was dissolved w.e.f. 27th June, 2017. India Power Corporation (Haldia) Limited (now known as Hiranmaye Energy Limited) ceased to be a Subsidiary of your Company in terms of the provisions of the Act w.e.f. 29th December, 2017. On 2nd May, 2018, 92.75% of the total paid-up share capital of Meenakshi Energy Limited (formerly known as Meenakshi Energy Private Limited) has been acquired by SBICAP Trustee Company Limited.

There is no material change and commitment affecting the financial position of your Company which have occurred after the close of the financial year till the date of this Report, other than those stated in this Report.

## DIVIDEND

In terms of Regulation 43A of the Listing Regulations your Company has a Dividend Distribution Policy approved and adopted by the Board of Directors which reflects the intent of your Company to reward its Members by sharing a portion of its profits after retaining sufficient funds for the business and growth of your Company. The Policy is available on your Company's website at the link <http://www.indiapower.com/pdf/Dividend%20Distribution%20Policy.pdf> and is attached to this Report as **Annexure II**.

In line with the Dividend Distribution Policy of your Company and considering your Company's performance and financial position during the year under review, the Board of Directors are pleased to recommend a dividend of 5 percent (₹ 0.05 per equity share) for the financial year ended 31st March, 2018, subject to approval of the Members at the ensuing Annual General Meeting.

## RESERVES

The amount carried to the reserves and surplus for the financial year 2017-18 are given in the Standalone Financial Statements of your Company for the financial year ended 31st March, 2018.

## DEPOSITS

Your Company has not accepted any deposits within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

## SHARE CAPITAL

In terms of the Scheme of Arrangement and Amalgamation of erstwhile India Power Corporation Limited (hereinafter referred to as "erstwhile IPCL") (CIN: U40101WB2003PLC097340) into and with DPSC Limited (now known as India Power Corporation Limited) (CIN: L40105WB1919PLC003263) sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013 (hereinafter referred to as "Scheme"), the Shareholders of erstwhile IPCL are entitled to be allotted 11 equity shares of ₹ 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 ₹ 1 each (hereinafter referred to as "consideration shares"). The existing holding of erstwhile IPCL in your Company i.e. 51,61,32,374 equity shares, shall stand cancelled pursuant to the aforesaid Scheme and accordingly the paid-up equity share capital upon allotment of the consideration shares and cancellation as envisaged above will be increased from ₹ 97,37,89,640 to ₹ 157,79,33,089 comprising 157,79,33,089 equity shares of ₹ 1 each.

Cancellation and allotment of the aforesaid shares has not been given effect due to certain pending formalities with the Stock Exchanges in view of the Interim Order dated 4th June, 2013 relating to Minimum Public Shareholding (hereinafter referred to as "MPS") passed by Securities and Exchange Board of India (hereinafter referred to as "SEBI"). The paid-up equity share capital of your Company shall undergo requisite change upon the said cancellation and allotment.

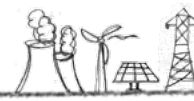
## SUBSIDIARIES AND ASSOCIATES

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the Statement in Form AOC-1 containing the salient features of the Financial Statements of your Company's Subsidiaries and Associates forms part of the Financial Statements of your Company which is in addition to this Report. Further, in terms of Rule 8 of the Companies (Accounts) Rules, 2014, the report on the highlights of the performance of each of the Subsidiary and Associate Companies also forms part of Form AOC-1.

In line with Section 129(3) of the Act read with the aforesaid Rules, Listing Regulations and in accordance with Indian Accounting Standards, Consolidated Financial Statements prepared by your Company includes financial information of the Subsidiary and Associate Companies and their contribution to the overall performance of your Company during the year under review.

Pursuant to the provisions of Section 136 of the Act, copies of the Annual Accounts in respect of each of the Subsidiaries would be available for inspection by a member or by the trustee of the holder of any debenture at the Registered Office of your Company during business hours on all working days (excluding Saturday) between 11:00 a.m. to 1:00 p.m. upto the conclusion of the ensuing Annual General Meeting. Further, copies of the Annual Accounts of each of the Subsidiaries are available on your Company's website [www.indiapower.com](http://www.indiapower.com). Any member of the Company may obtain copies of these documents by writing to the Company Secretary at the Registered Office of your Company.





## BOARD OF DIRECTORS

Your Company recognises that the Board of Directors forms one of the pillars of a robust Corporate Governance framework. Your Board comprises of an optimum combination of Executive and Non-Executive Directors including Independent Directors having diversified skill, knowledge, thought, perspective, regional and industry experience, cultural and geographical background, age and ethnicity.

Your Company has received declarations from each of the Independent Directors confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16(1) of the Listing Regulations.

The terms and conditions of appointment of Independent Directors are available on the Company's website at the link <http://www.indiapower.com/pdf/Terms%20&%20Conditions%20of%20Appointment%20of%20ID.pdf>.

Details of the Directors of your Company as on 31st March, 2018 and remuneration drawn by the Directors during the financial year 2017-18 are given in the extract of Annual Return in Form No. MGT-9 annexed hereto and forming part of this Report. As per the declarations received by your Company, none of the Directors are disqualified to be appointed as a Director of your Company under the applicable provisions of the Act and/or the Listing Regulations.

### • **Appointment/re-appointment**

During the year under review, the Board of Directors of your Company, based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Raghav Raj Kanoria (DIN: 07296482) as the Managing Director of your Company for a term of 5 (five) consecutive years w.e.f. 1st June, 2017. The Members at the Annual General Meeting held on 12th August, 2017 approved the said appointment.

Mr. Amit Kiran Deb (DIN: 02107792), Mr. Nand Gopal Khaitan (DIN: 00020588), Mr. Debi Prasad Patra (DIN: 00067269) and Mr. Tantra Narayan Thakur (DIN: 00024322), Independent Directors of your Company were appointed for term of 5 (five) consecutive years w.e.f. 1st April, 2014 to hold office till 31st March, 2019.

In terms of Section 149(10) and all other applicable provisions of the Act and Schedule IV to the Act read with the Rules framed thereunder and the Listing Regulations, the Board of Directors of your Company pursuant to the recommendation of the Nomination and Remuneration Committee and based on the report of performance evaluation, at their meeting held on 29th May, 2018 decided to place the proposal for re-appointment of the Independent Directors for a further term of 5 (five) consecutive years w.e.f. 1st April, 2019 at the ensuing Annual General Meeting, whose period of office shall not be liable to determination by retirement of Directors by rotation.

The Independent Directors have given their consent to be re-appointed and have furnished necessary declarations to the Board of Directors that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1) of the Listing Regulations.

The Board of Directors of your Company recommends the above re-appointment. Appropriate resolutions for re-appointment of Independent Directors are included in the Notice convening

the ensuing Annual General Meeting for seeking approval of the Members. Brief resume and other particulars relating to the Independent Directors proposed to be re-appointed also forms part of the Notice convening the ensuing Annual General Meeting.

### • **Director retiring by rotation**

In accordance with the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Mr. Sunil Kanoria (DIN: 00421564), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors of your Company recommends the above re-appointment. Appropriate resolution for his re-appointment is included in the Notice convening the ensuing Annual General Meeting for seeking approval of the Members. Brief resume and other particulars relating to the Director proposed to be re-appointed also forms part of the Notice convening the ensuing Annual General Meeting.

## KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Raghav Raj Kanoria was appointed as Managing Director of your Company w.e.f. 1st June, 2017. Mr. Shirang Bhalchandra Karandikar, Chief Executive Officer of your Company, superannuated from the services of your Company w.e.f. the close of business hours on 31st August, 2017 and Mr. Sanjeev Seth was appointed as the Chief Executive Officer of your Company w.e.f. 1st September, 2017.

The details of the Key Managerial Personnel of your Company and the remuneration drawn by them during the financial year 2017-18 are given in the extract of Annual Return in Form No. MGT-9 annexed hereto and forming part of this Report.

## COMMITTEES OF THE BOARD

As on 31st March, 2018, your Company had 6 (six) Board level Committees viz. Audit Committee, Nomination and Remuneration Committee, Shareholders' / Investors' Grievance and Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Committee of Directors constituted in terms of the provisions of the Act and the Listing Regulations under the formal approval of the Board.

All the recommendations made by the Committees are placed before the Board of Directors for their consideration. During the year under review there has been no instance where the Board has not accepted the recommendations of the Audit Committee.

The brief terms of reference, particulars of meetings held during the financial year 2017-18, attendance of the Members at such meetings etc., of the said Committees are given in the Report on Corporate Governance annexed hereto and forming part of this Report.

## BOARD AND COMMITTEE MEETINGS

During the financial year 2017-18, 4 (four) meetings of the Board of Directors were convened and 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 hereto and forming part of this Report.



## PERFORMANCE EVALUATION

Pursuant to the provisions of Sections 134, 149 read with Code of Independent Directors (Schedule IV) and 178 of the Act, Listing Regulations and in line with the Guidance Note on Board Evaluation issued by SEBI dated 5th January, 2017, the Nomination and Remuneration Committee and the Board of Directors carried out the annual evaluation of the performance of the Board, the working of the Committees of the Board and individual Directors (including Independent Directors and the Chairman of your Company).

The performance evaluation was carried out through a structured questionnaire seeking feedback from the Directors on certain pre-defined parameters.

The performance evaluation of the Board was carried out on the basis of criteria such as Board structure and composition, Board culture and dynamics, effectiveness of Board processes, information and functioning, etc. The Committees of the Board were evaluated on parameters such as adequacy of Committee composition, effectiveness of Committee meetings, Committee dynamics, etc.

The Nomination and Remuneration Committee and the Board of Directors reviewed the performance of individual Directors (including Independent Directors) on parameters such as understanding the operating and business environment, contribution at the meetings, guidance / support to management, application of independent judgement while taking decisions at the meetings, etc. and the performance of the Chairman of your Company on additional criteria such as efficient leadership, professionalism, impartiality, safeguarding the interest of various stakeholders, etc.

Further, in the separate meeting of Independent Directors held during the year under review, performance of non-Independent Directors, performance of the Board and the performance of the Chairman was evaluated and the quality, quantity and timeliness of flow of information between the Company's Management and the Board was assessed.

The Directors expressed their satisfaction with the overall evaluation process.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Sections 134(3)(c) and 134(5) of the Act, your Directors to the best of their knowledge and ability, confirm that:

- a. in the preparation of the Annual Accounts for the financial year ended 31st March, 2018, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures;
- b. they 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, 2018 and of the profit of the Company for the year ended on that date;
- c. they 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 your Company and for preventing and detecting fraud and other irregularities;
- d. the Annual Accounts have been prepared on a going concern basis;
- e. they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively; and

- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## POLICIES AND PROCEDURES

Policies and Procedures are an essential component of your Company's Corporate Governance framework which outlines the organisational and operational structure. In line with this approach and in terms of the provisions of the Act and Listing Regulations, your Company has framed various Policies and Procedures duly approved and adopted by the Board of Directors. Your Company reviews its Policies and Procedures in view of the changing business environment and regulatory frameworks. Organisation wide dissemination of Policies and Procedures are ensured.

### • **Nomination & Remuneration Policy**

In terms of Section 178 of the Act and the Listing Regulations, your Company has in place a policy on Nomination and Remuneration approved and adopted by the Board of Directors. The Nomination & Remuneration Policy of your Company sets out the principles, parameters and governance framework of the Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other Employees. The Policy also provides the guidelines on procedure for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel.

The Nomination & Remuneration Policy is attached to this Report as **Annexure III** and is also available on your Company's website at the link <http://www.indiapower.com/pdf/Nomination%20&%20Remuneration%20Policy.pdf>.

### • **Corporate Social Responsibility**

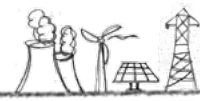
Corporate Social Responsibility (hereinafter referred to as "CSR") has continued to be an integral part of the vision of your Company and has been the cornerstone of its core value of Good Corporate Citizenship. Your Company believes that by exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can generate value and long term sustainability for itself while making positive contribution for the betterment of the society.

Your Company has been making efforts to manage the business process and furnish an overall positive impact in the society by touching the most crucial spheres including but not limited to health, women empowerment (skill development), gender equality, education, environment and social welfares. The CSR commitment of your Company centres around thematic areas such as Education, Women empowerment (skill development), Social upliftment, Health care and sanitation, Promotion of sports and Rural development as specified in Schedule VII to the Act.

During the year under review your Company associated with Acid Survivors and Women Welfare Foundation to strongly support acid attack victims to ensure that they can revive physically, psychologically and emerge as strong and self sufficient individuals. Your Company also partnered with 'Mission Smile', a Medical Charitable Trust dedicated to provide comprehensive cleft care and surgeries to children born with facial deformities free of cost. Education being one of the most powerful and effective tools that shapes the future of the nation, your Company made contributions to IISD Edu World and Shri Hari Global School to provide support and required aid to schools and students.







The details of the CSR initiatives and projects undertaken by your Company during the financial year 2017-18 are outlined in the Annual Report on CSR activities which is attached to this Report as **Annexure IV**.

In terms of Section 135 of the Act, your Company has in place a CSR Policy, formulated by CSR Committee and duly approved and adopted by the Board of Directors. The said Policy is available on the Company's website at the link <http://www.indiapower.com/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>.

- **Risk Management**

Your Company recognises that Risk is an inherent part of its business which cannot be eliminated in its entirety. Risk has to be managed in a manner such that the potential range of outcomes is within acceptable boundaries. The management of your Company believes 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.

Your Company has a Risk Management Policy, recommended by Risk Management Committee and duly approved and adopted by the Board of Directors with the objective to identify various elements of Risk that may threaten the existence of your Company and to establish a structured and disciplined approach to Risk Management.

The Risk Management Committee is responsible to frame, implement, monitor and review the Risk Management plan of your Company and to lay down risk assessment and minimization procedures. The Risk Management Committee periodically reviews the major risks identified and finalises the mitigation plans. The identified major risk areas are also covered in the Internal Audit Report placed before the Audit Committee of your Company.

The details of the various risks identified and assessed by your Company and their mitigation plans are also explained in the Management Discussion & Analysis Report annexed hereto and forming part of this Report.

- **Internal Control Systems and their Adequacy**

Your Company has proper and adequate Internal Control Systems commensurate with the nature of its business and the size, scale and complexity of its operations.

The Internal Audit Department continuously monitors the effectiveness and adequacy of Internal Control System in your Company, its compliance with the operating systems, accounting procedures and policies of your Company and suggests improvements. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee of the Board. Significant audit observations and corrective actions thereon are presented to the Audit Committee. Based on the report of Internal Audit, corrective actions are undertaken in the respective areas, thereby strengthening and maintaining a healthy Internal Control System.

- **Vigil Mechanism for Directors and Employees**

In terms of Section 177 of the Act and Regulation 22 of the Listing Regulations, your Company has framed the Vigil Mechanism/Whistle Blower Policy to strengthen the Whistle Blowing

Mechanism within your Company and to provide avenues to the Directors and Employees to escalate genuine concerns impacting and compromising with the interest of your Company and its stakeholders in any way.

The Policy provides for a detailed complaint and investigation process with requisite provisions for direct access to the Chairperson of the Audit Committee. Requisite safeguards against victimization or unfair treatment of Directors and Employees who avail the mechanism is also provided. The functioning of the Vigil Mechanism/Whistle Blower Policy is reviewed by the Audit Committee from time to time.

Your Company hereby affirms that no complaint was received during the year under review and that no person was denied access to the Chairperson of the Audit Committee. The Vigil Mechanism/Whistle Blower Policy is available on your Company's website at the link [http://www.indiapower.com/pdf/Vigil%20Mechanism%20\(Whistle%20Blower%20Policy\).pdf](http://www.indiapower.com/pdf/Vigil%20Mechanism%20(Whistle%20Blower%20Policy).pdf).

- **Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace**

Your Company remains committed to provide and promote a healthy culture and congenial working environment for all its employees.

Your Company in order to foster a positive workplace environment, free from harassment of any nature and in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, has in place a Policy on Prevention of Sexual Harassment. As a part of the Policy, an Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. The Policy is available on your Company's website at the link [http://www.indiapower.com/pdf/Prohibition\\_of\\_sexual\\_harassment\\_at\\_workplace-24.6.16.pdf](http://www.indiapower.com/pdf/Prohibition_of_sexual_harassment_at_workplace-24.6.16.pdf).

During the year under review, no complaint pertaining to sexual harassment was received by your Company.

## AUDITORS AND AUDITOR'S REPORT

- **Statutory Auditor**

M/s. S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) were appointed as Statutory Auditors of your Company, for a term of 5 (five) consecutive years, at the 97th Annual General Meeting held on 12th August, 2017 to hold office for a period of 5 (five) consecutive years, from the conclusion of the 97th Annual General Meeting till the conclusion of the 102nd Annual General Meeting of your Company to be held in the year 2022. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Reports given by the Auditors on the Standalone and Consolidated Financial Statements of your Company for the year ended 31st March, 2018 is a part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report on the Standalone and Consolidated Financial Statements of your Company for the year ended



31st March, 2018. The "Emphasis of Matter" as stated in note no. 9.2 of the Standalone and Consolidated Financial Statements of your Company are self-explanatory.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of your Company during the year under review in terms of provisions of Section 143(12) of the Act.

- **Cost Auditor**

Pursuant to Section 148(2) of the Act read with the Rules framed thereunder, your Company is required to get its cost records audited by a Cost Accountant. Accordingly, the Board of Directors of your Company, based on the recommendation of the Audit Committee, appointed M/s. Mani & Co., Cost Accountants (Firm Registration No. 000004) to conduct the audit of the cost records of the Company for financial year ended 31st March, 2019.

- **Internal Auditor**

Protiviti Consulting Private Limited has been appointed as the Internal Auditors of your Company for the financial year ended 31st March, 2019 pursuant to Section 138(1) of the Act to conduct the internal audit of the functions and activities of your Company. The Internal Auditors report to the Audit Committee. The Internal Audit Report is placed at the meetings of Audit Committee for their review.

- **Secretarial Auditor**

Pursuant to Section 204 of the Act read with Rules framed thereunder, M/s. H. M. Choraria & Co., Company Secretaries in Practice (CP Number-4557) has been appointed, to undertake the secretarial audit of your Company for the financial year 2017-18. The Secretarial Audit Report is attached to this Report as **Annexure V**.

The Secretarial Auditor has made certain observations in the Secretarial Audit Report with respect to non-compliance of MPS requirement as prescribed by SEBI and on West Bengal Electricity Regulatory Commission (hereinafter referred to as "WBERC") matter.

In relation to the compliance of MPS, in terms of the Scheme, 24.69% of the equity shares capital of your Company comprising 24,04,28,662 equity shares of ₹ 1 each was transferred by erstwhile IPCL to an independent irrevocable Trust named Power Trust having independent Board of Trustees which constituted members of Public in terms of the provisions of the Scheme and accordingly erstwhile IPCL's shareholding in your Company reduced from 93% to 68.31% and Public Shareholding increased from 7% to 31.69%.

SEBI made an application before the Hon'ble High Court at Calcutta seeking amendment to clause 3.3.3 of the Scheme which stated that the Trustees shall constitute members of the Public. In this regard, the Hon'ble High Court at Calcutta vide its Order dated 27th January, 2017 directed Power Trust to sell 32,63,16,563 equity shares to Public through Offer for Sale, by 30th April, 2017. The period was subsequently extended by the High Court, vide its order dated 25th August, 2017 till February, 2018. Power Trust filed an application before the High Court seeking extension of time to sell the balance shares held by it to the public and permission to off load and/or sell balance shares by using any and/or all methods or any combination of methods as

prescribed by SEBI including two methods additionally provided under SEBI's circular dated February 22, 2018. The Hon'ble High Court at Calcutta, vide its Order dated 18th May, 2018 has directed to dispose of the balance shares expeditiously by using any and all methods and/or combinations thereof as prescribed by the relevant statutory provisions, including the two methods additionally provided under SEBI's recent circular dated February 22, 2018 subject to such caps and limits as provided by the SEBI Regulations. For such purpose, SEBI registered merchant bankers may be appointed to sell the balance shares. The matter has been disposed of.

In relation to the WBERC matter, WBERC vide its Order dated 7th July, 2014 in its suo-moto proceedings against your Company in respect of the Scheme has held that the above arrangement needs prior approval of WBERC under Section 17(4) of the Electricity Act, 2003 and in absence of such prior approval, WBERC has held the Scheme as void as a licensee. The said Order was challenged by your Company before the Hon'ble High Court at Calcutta and the single member bench of Hon'ble High Court at Calcutta quashed the said Order dated 7th July, 2014 by allowing the Writ Application. WBERC has preferred an appeal against the Order of the single member bench before the division bench of the Hon'ble High Court at Calcutta. The disposal of the matter is currently pending.

## CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the Listing Regulations, the Report on Corporate Governance along with Certificate from the Statutory Auditors of your Company conforming compliance with the conditions of Corporate Governance is attached to this Report as **Annexure VI**.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

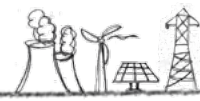
All contracts or arrangements entered by your Company during the financial year under review with the Related Parties were in the ordinary course of business and on an arm's length basis and in accordance with the provisions of the Act, the Listing Regulations and the Related Party Transaction Policy of your Company.

All Related Party Transactions entered into by your Company are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature and / or entered in the ordinary course of business and on an arm's length basis.

The details of contract / arrangement / transaction entered by your Company with Related Parties during the financial year are set out in the Notes to the Financial Statements. The disclosure of contract / arrangement / transaction entered into with Related Parties which could be considered material under purview of the Section 188(1) of the Act in Form AOC-2 is attached to this Report as **Annexure VII**.

The Policy on dealing with Related Party Transactions approved and adopted by the Board of Directors is available on the Company's website at the link <http://www.indiapower.com/pdf/Related%20Party%20Transactions%20Policy.pdf> The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between your Company and Related Parties. This Policy specifically deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.





## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company, being engaged in the business of providing infrastructure facilities, the loans made, guarantees given or security provided by it are exempt from the applicability of provisions of Section 186 of the Act. However, the investments/acquisitions made by your Company during the financial year 2017-18 by way of subscription, purchase or otherwise in the securities of any other body corporate, which falls under the ambit of Section 186 of the Act were applicable to your Company and are detailed in the notes to the Financial Statements.

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The statement containing the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached to this Report as **Annexure VIII**.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND YOUR COMPANY'S OPERATIONS IN FUTURE

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

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement containing the information in terms of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as **Annexure IX & Annexure X**.

## STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

The Directors of your Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

## BUSINESS RESPONSIBILITY REPORT

Since, your Company does not fall under the top five hundred listed entities based on market capitalization as on 31st March, 2018, Business Responsibility Report in terms of Regulation 34(2)(f) of the Listing Regulations is not applicable to your Company.

## EXTRACT OF ANNUAL RETURN

In terms of Section 134(3)(a), the extract of Annual Return as on 31st

March, 2018 in Form No. MGT-9 provided under Section 92(3) of the Act is attached to this Report as **Annexure XI**.

## OTHER DISCLOSURES / REPORTING

Your Directors state that no disclosure or reporting is required in respect of the following as there were no transactions done on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of sweat equity shares.
- Your Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor the Whole-time Director of your Company received any commission from your Company, hence disclosure pertaining to receipt of remuneration or commissions by the Managing Director or the Whole-time Director from any Subsidiary Company of your Company was not applicable.
- There was no revision in the Financial Statements or the Report of the Board of Directors of your Company.
- There was no change in the nature of business.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation for the co-operation and assistance extended to your Company by the Ministry of Power, 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.

The Board also conveys its gratitude to the valuable Stakeholders of your Company viz. the Shareholders, Debenture holders, Banks, Financial Institutions, Credit Rating Agencies and other business associates for their continued trust and excellent support and the Consumers for their unwavering patronage. The Board also places on record their sincere appreciation for the unstinted efforts and contributions made by the Employees of your Company.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015





## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ECONOMY OVERVIEW

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performance in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year, the fastest for seven years, with improved outcomes in both advanced economies and the Emerging Market Economies. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook.

(Source: IMF and OECD)

### INDIAN ECONOMY OVERVIEW

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax and measures to choke off the black economy, including demonetization. India's GDP grew 7.2% in the third quarter of 2017, surpassing expectations and wresting back the mantle of fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction, and an expansion in agriculture. Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the financial year 2019-20.

(Source: OECD and Economic Times)

Fiscal deficit for 2017 - 18 is revised to INR 5.95 lakh Cr at 3.5% of the GDP which is approximately the same as 2016-17 in spite of transformation in the economy. In addition to initiatives like: "Make in India", "Housing for All", "Digital India" government has also introduced "SagarMala" and "Bharat Mala" initiatives which is expected to boost the domestic growth of the country.

(Source: IBEF and Trading Economics)

### GLOBAL POWER SECTOR OVERVIEW

The world population is expected to reach 9.2 billion by 2040 from 7.4 billion currently. Global GDP is likely to double over that same period resulting into a significant rise in the per capita GDP. Increase in the global middle class population combined with the rising standard of living will lead to a dependence on reliable modern energy and drive up global energy demand by about 25 percent by the year 2040. That is roughly equivalent to adding another North America and Latin America to the world's current energy demand.

Despite the fact that the production of coal in 2016 was at an all-time low but the demand for coal will stay high. The fossil fuel will continue to supply around a third of all energy used globally. More than two-thirds of China's electricity requirement is to be met by conventional sources of power. The industry push toward zero-carbon coal-fired power

plants will continue through 2018 with R&D into ultra-supercritical steam technology and high-efficiency low-emissions solutions.

### INDIAN POWER SECTOR OVERVIEW

India's power sector is one of the most diversified in the world. The sources of power generation vary from the conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. In order to match the increasing demand for electricity in the country, there is a need for addition to the installed generation capacity. The Government of India launched a scheme called 'Power for All' by March 2019 to address the situation of lack of adequate electricity supply in the Country. The scheme aims at providing uninterrupted electricity supply to all in the country by creating necessary infrastructure. It's a joint collaboration of the Government of India with States to share funding and create overall economic growth. To reinvigorate the ailing DISCOMS, government has introduced various schemes like UDAY and most of the states have already joined it. The DISCOMS should be able to gradually improve their performance if they continue to pursue the prescribed operational reforms.

### DEMAND - SUPPLY SCENARIO

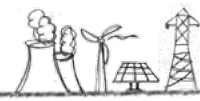
It is estimated that globally new power generation capacities to the tune of 600 GW to 1,200 GW will be added before 2050. Though India generates about 340 GW of electricity, over 160 million people, which is approximately equal to 32 million homes, have limited or zero access to electricity. This is due to the various challenges faced by the power sector like the poor financial health of the DISCOMS, lack of long term PPAs, price volatilities in the short term market and failure of UDAY scheme to drive long term PPAs. All these factors combined have been a major bottleneck in the demand-supply mismatch.

ENERGY				
Year	Requirement	Availability	Surplus(+)/ Deficit(-)	
	(MU)	(MU)	(MU)	(%)
2014-15	1,068,923	1,030,785	-38,318	-3.6
2015-16	1,114,408	1,090,850	-23,558	-2.1
2016-17	1,142,929	1,135,334	-7,595	-0.7
2017-18	1,212,134	1,203,567	-8,567	-0.7

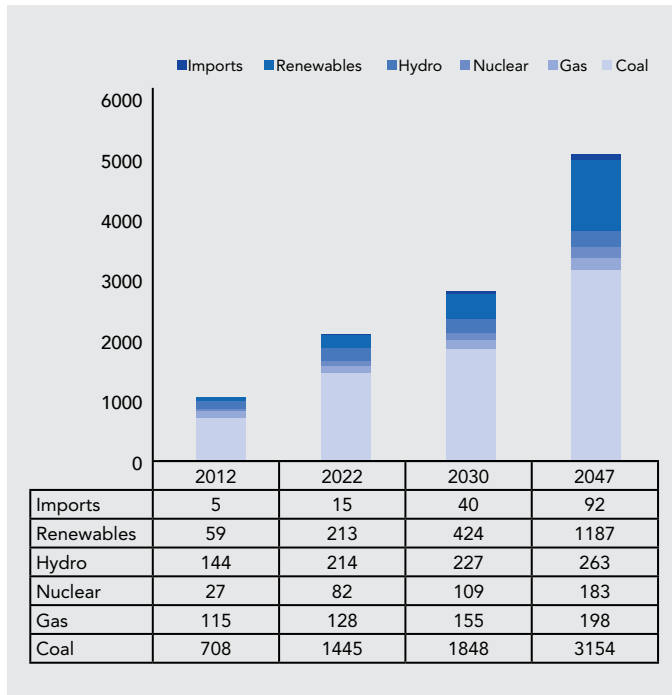
### GENERATION OVERVIEW

The country's total installed capacity of power plants as on 31st March, 2018 stood at 3,44,002 MW with renewable power plants constituting 33.2% of total installed capacity. India is the world's third largest producer and third largest consumer of electricity. Though the electricity tariffs in India are cheaper than many countries, the per capita electricity consumption is low. The total installed capacity has increased steadily over the years with a CAGR of 5.73% in FY10-FY18. (Source: Government of India, Ministry of power)





## Electricity Generation Mix (TWh)

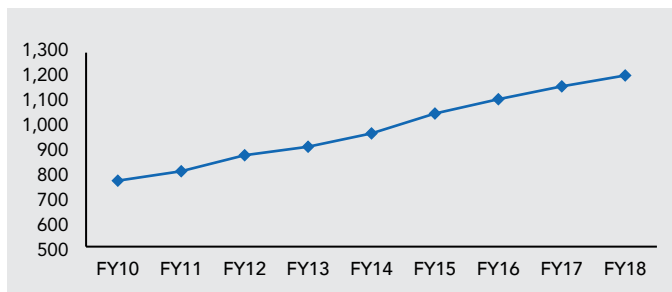


(Source: India Energy, Government of India)

## Thermal

The contribution from conventional sources to the total generation capacity stood at 1,206 billion units (BU) for FY18. Coal-based power generation capacity in India, which currently stands at 197 GW, is expected to reach 330 - 441 GW by 2040.

## Thermal Performance From 2009-2018



(Source: Government of India, Ministry of power)

## Renewable

One of India's major advantages today and going forward is that its renewable energy potential is vast and largely untapped. Recent estimates show that India's solar potential is greater than 750 GW and its wind potential is 302 GW (actual could be higher than 1000 GW). The potential of biomass and small hydro is also significant. Thus, renewable energy has the potential to anchor the development of India's electricity sector. Policy support, technology improvements and cost reductions are transforming renewable energy sector. Over the past few years the share of renewables capacity in the India has increased from 12% in 2012 to over 18% in 2017. Going forward,

the renewables are staged to play a bigger and a deeper role in the country's electricity mix. Government of India has embarked on a mission to install 160 GWs of renewable energy by 2022. Between 2017 and 2030, the share of renewables is expected to reach over 43% in capacity terms.

## Our contribution in India's power generation sector

The Indian power sector, specifically, the thermal segment has been grappling with uncertainty due to lack of long term PPAs, high fuel cost, low tariff regime, etc. for a long time. Power generators are sceptical to add more capacity in the thermal segment. About 35% of thermal power capacity in India is more than 25 years old and India Power Corporation Limited's Thermal, Solar and Wind energy plants are state of the art and less than 4.5 Years on average. India Power Corporation Limited looks to convert this uncertainty into opportunity. India Power Corporation Limited has over the years, been able to create a good mix of generation assets which includes thermal, wind and solar power.

- Solar - 38 MW operational generation capacities in Uttarakhand and West Bengal.
- Wind - 95.2 MW operational generation capacities in Rajasthan, Gujarat and Karnataka.
- Thermal - 612 MW operation capacities in Andhra Pradesh and West Bengal with additional capacity of 700 MW to be commissioned in Andhra Pradesh.

## Key Highlights for financial year 2017 - 18

India Power Corporation Limited supplied 705.16 Million Units of power in its license area in West Bengal and 121.83 Million Units of wind power in the States of Rajasthan, Karnataka and Gujarat during the financial year ended 31st March, 2018. The total income (including Regulatory income/expense) on a standalone basis was recorded at ₹ 52,077.59 Lakhs for the financial year ended 31st March, 2018, in comparison to the previous year figure of ₹ 44,578.78 Lakhs. The Profit after Tax for the financial year ended 31st March, 2018 was recorded at ₹ 2,134.44 Lakhs, as compared to previous year's figure of ₹ 3,912.04 Lakhs.

## Our Future Growth Strategy

The Company looks forward to emphasize on flexibility of technology for preparedness for the next level of generation business. The Company is also open to capitalize on any potential inorganic growth opportunities that may arise. The Company is continuously looking for opportunities in renewable space since it wants to maintain a balance of both conventional and non-conventional sources of energy. In addition, the Company is also actively looking at opportunities in Waste to Energy segment.

## TRANSMISSION

Power transmission sector in India acts a pivotal role in supplying electricity to the end consumers. It is imperative to note that the growth of power sector is dependent on the development of a robust and non-collapsible transmission infrastructure. India looks to cross 400 GW mark in terms of installed capacity by financial year 2022 meaning significant transition from current inter regional transmission capacity of 78 GW. Dedicated green energy corridors and enhancement of transformation capacity of existing sub stations, along with setting up of new sub stations will primarily drive the opportunity galore in the sector in near future. The improvement in the transmission infrastructure will in turn benefit the distribution companies as power will be transmitted faster with minimal losses to the end consumer.

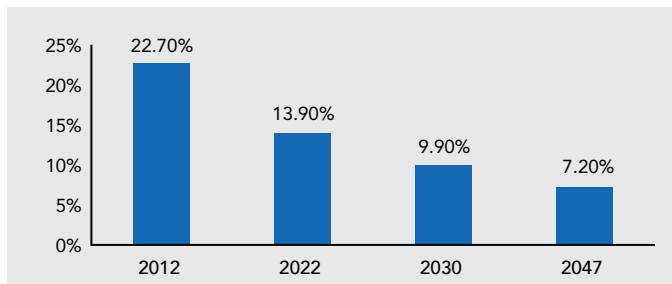
(Source: Government of India, Ministry of power)



## DISTRIBUTION

Distribution is the most important link in the entire power sector value chain as it is the final stage of delivery of electricity. Though India's generation capacity is high, the supply to the end consumer is not equal to the generation units owing to the transmission and distribution (T&D) losses. At an Average 12-14 hours of daily power is being supplied. The India's government targets to achieve 24x7 uninterrupted 'Power for All' by 2019. The average T&D losses are at 25% in India due to poor infrastructure, pilferage of electricity and low smart meter penetration. To reduce the losses, the Government of India provides assistance to states through various central sector/centrally sponsored schemes for improving the distribution sector. The various schemes launched by the Government include Integrated Power Development Scheme, Deendayal Upadhyaya Gram Jyoti Yojana, National Electricity Fund and Financial Restructuring Scheme. The objectives of all these schemes are to strengthen the distribution network in the urban and rural areas, including more people in the distribution network, smart metering, promote investment in the distribution sector and many others. All these schemes aim at improving the distribution infrastructure leading to a low T&D loss and providing uninterrupted power supply to the people of India. There are various public-private partnership opportunities available in the distribution segment. Also, privatization of some DISCOMs is on the anvil.

### T&D Loss Reduction Target



(Source: Government of India, Ministry of power)

### Our contribution in India's Transmission & Distribution sector

Distribution is a nine-decade long legacy business for the Company having one of the oldest distribution licenses for 618 sq. km region in Asansol, West Bengal. The Company's Wholly-owned Subsidiary, India Power Corporation (Bodhgaya) Limited, has a Distribution Franchisee of 1,630 sq. km area in Gaya, Bodhgaya, Manpur and adjoining areas of Bihar. India Power Corporation Limited has one of the lowest T&D losses in the Country in the distribution license of less than 3% and collection efficiency of 99.15%. At Gaya, India Power Corporation (Bodhgaya) Limited has been able to reduce the AT&C losses to a great extent from the time of acquisition.

Financial year 2017 - 18, has been a year of challenges from various fronts, however the Company has faced them off appreciably and has been able to build a strong foundation for future successes. The Company has shown growth in most of key areas and have also successfully taken up various programmes in the areas of technology adoption, quality and safety focus, IT enablement, customer services, etc.

### Key Highlights for financial year 2017 - 18

#### Distribution License, Asansol

- The Company's licensee business could demonstrate positive revenue growth after 3 years of decline in past. Connected load increased from 166 MVA to 221 MVA recording an increase of 33%.

- The Company reduced the power procurement cost by taking advantage of lower power purchase cost in the exchanges by increasing the quantum of open access purchase from 57% to 69%.
- Power Grid Corporation of India Limited approval for Central Transmission Utility Connectivity has been obtained from Maithon substation.
- Many new technological initiatives have been taken up viz. Supervisory Control and Data Acquisition, Gas Insulated Substation, Distribution Transformer health monitoring pilot, IOTs pilot and addition of one more voltage level i.e. 132 KV network.
- On the customer side, 24/7 call centre, online prepaid recharge facility, new customer care centre at Shristi Nagar, vending machines for prepaid recharge have been made available at three sites.
- SAIFI and SAIDI improved by 43% and 36% respectively thereby improving the reliability and adding edge in competitive market.

### Distribution Franchisee, Bodhgaya

- During the year under review the Sales increased by 36% in MU terms & 48% in value with collection improvement of 44% and business efficiency by 49%.
- Highest T&D loss reduction for the first time of 2 digit was achieved (from 53%-39.71%), which is rarest worldwide in a single year.
- Smart meters in urban areas and prepaid smart meters for rural segment have been installed in respectable numbers.
- 30,000 new customers were added during the year.
- The vigilance team booked 2000 cases - 5 times more than the previous year.
- For ease of Payment for the Customers two new digital payment options have been introduced including Co-Branded Bharat Pay Card. Consumer Billing are being done through SAP.
- Sahaj Mitra, a transformational model for improving the Meter to Cash Cycle has been launched, with a key objective of providing women empowerment and employment to local men and women.
- Multiple channels of communication for being in touch with the consumers and understanding their needs have been introduced. As one of such initiative, 130 Sanjha Sampark (Customer Connect) camps were conducted during the financial year 2017-18.

### Our Future Growth Strategy

The distribution business is the low-risk, regulated return kind of business. The Company ensures minimal T&D losses by sustained capex on infrastructure. Also, the Company is in constant endeavour to improve the billing collection and reducing the pilferage by stringent on-ground practices, thereby boosting the profitability. The Company also plans to expand its Distribution foot - print in new areas.

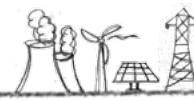
## VALUE ADDED SERVICES

The business environment in the power sector is transforming in a big way. Power plants across the globe need to integrate various digital capabilities by adapting new technologies which will help the power plants to perform more efficiently and in turn help the sector to grow.

Coal is the single biggest source for power generation and more than two-thirds of the electricity in India is generated through coal-fired thermal plants. At the same time, the efficiency of thermal plants matters the most; more efficient the plant, lesser is the consumption of coal and lesser is the emission of harmful gases. The global power sector is witnessing a lot of changes like environment laws getting stricter and large scale of renewable capacity addition done every year. Along with







the changes, the sector is also facing a lot of challenges like frequent shut down of power units, low lifecycle of a power plant, etc. leading to interrupted power supply and low customer satisfaction. In India, more than 35% of thermal power plants are more than 25 years old. Also the PLF of thermal plants across India is on a decreasing trend. The traditional Operations & Maintenance (O&M) practices in India are having multiple impacts like lower plant availability, higher station heat rate, higher auxiliary power consumption which in turn results in lower returns. This creates a need for better management of the assets of thermal power plants.

#### Our Contribution

To tap this market, India Uniper Power Services Private Limited, a Joint Venture of the Company with Uniper Kraftwerke GmbH, offers O&M and related services for thermal power plants across India. The Joint Venture aims to empower customers and create operational efficiency and flexibility for its own as well as other thermal plants by providing asset management services. India Uniper Power Services Private Limited plans to leverage on the pioneering technology and expertise of Uniper Kraftwerke GmbH and their best-in-class operational systems. The services offered in this segment include:

- Plant operations and maintenance
- Asset monitoring software
- Lifecycle extension

#### Key Highlights for financial year 2017-18

India Uniper Power Services Private Limited is providing O&M service to Meenakshi Energy Limited Phase I Plant (2x150MWs). Also, India Uniper Power Services Private Limited has bid for three O&M opportunities totalling to 7GWs coal capacity. Besides O&M, there are several bids/proposals under evaluation with clients. India Uniper Power Services Private Limited is also building up a business model for offering training service in India. Besides India, several opportunities in Bangladesh have also been identified.

#### Our Future Growth Strategy

India still majorly depends on coal for its energy requirement. This will stimulate the demand for efficient O&M services. The Company looks to tap this market by providing value added services. India Uniper Power Services Private Limited aims at becoming a leading energy service provider with a focus on creating and sustaining value for customers.

### RISK MANAGEMENT

Significant risks identified by the Company and its mitigation plans are as follows:

- Access to continuous power at optimum costs continues to be one of the biggest challenges faced by the Company. This requirement is in addition to its own capacity of generating power. In order to mitigate this risk, the Company has a 220kV JK Nagar substation connected to the national grid. This connection helps in providing an option to procure power through open access by entering into a bilateral agreement with generators on short, medium or long-term basis.
- Stagnated economic growth in markets, in the Distribution License and Distribution Franchise area is significantly restricting growth in these markets.
- The Company requires specific grade of coal for running its portfolio of power plants. In the absence of coal linkages the

Company is procuring coal through e-auctions and open market imports from Indonesia. The Company blends the same with rejects in order to optimise generation costs. Prices of coal for both indigenous and imported variety have been erratic during the year resulting in unviable cost of generation over certain periods.

- Two other utilities operate simultaneously in the Company's distribution business, resulting in increased competition for expanding consumer base and retention thereof. To mitigate such challenges, the Company keeps its tariffs competitive. This aids in attracting new consumers as well as retaining existing consumers. The Company strives to continuously expand its network spread to cover domestic as well as commercial consumers. The Company endeavours to go an extra mile to understand the power requirements of its customers in order to offer customised solutions for them.

### HUMAN RESOURCES

The Company recognizes that people are its primary source of competitiveness and continuously strives to provide its employees, a strong sense of ownership, professional respect and pride, resulting in high morale and excellence in performance. The Company has a diversified workforce, consisting of 536 permanent employees as on 31st March, 2018, consisting of 26 women employees without any discrimination on grounds of age, gender, colour, language, caste or creed. The Company encourages those who have the right initiative to excel and is passionate about enhancing competencies and recognising talent of people with integrity, creativity, efficiency, leadership, team building skills and a willingness to learn and do attitude.

The Company is focussed on achieving organizational excellence through employee development, performance focus and synergy of its employees and is committed towards creating and enhancing values to all its stakeholders through a constant endeavour of productivity, penchant for quality, commitment, dedication and with a will to win its people.

### INTERNAL CONTROL AND THEIR ADEQUACY

The Company maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. The internal control systems have been designed in a manner that ensures compliance with all applicable legislations, policies and procedures and provides reasonable assurance with regard to recording and providing reliable financial and operational information.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations made by the Internal Auditor to the Audit Committee. The Internal Control Systems of the Company are being constantly updated with new/revised standard operating procedures.

**For and on behalf of the Board of Directors**

**Hemant Kanoria**  
Chairman  
DIN: 00193015

Place: Kolkata  
Date: 29th May, 2018



## DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the "Board") of India Power Corporation Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") in its meeting held on 10th September, 2016.

### EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 10th September, 2016.

### PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India ("SEBI") vide its Notification dated 08th July, 2016 has amended the Listing Regulations by inserting Regulation 43A making it mandatory for top five hundred listed companies based on their market capitalization calculated as on the 31st March of every year to have a Dividend Distribution Policy.

Considering the above, the Board of Directors (the "Board") of the Company recognizes the need to lay down a broad framework and to set out circumstances and different factors for the Board of the Company to consider while taking decision with regard to distribution of dividend to its shareholders and / or retaining or plough back its profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element of the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth and business of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, dividend, which shall be consistent with the performance of the Company over the years.

#### The Policy shall not apply to:

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

### A. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND

The general considerations of the Company for taking decisions

with regard to dividend payout or retention of profits shall be as following :

1. Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company and other relevant factors;
2. The Board may also, where appropriate, aim at distributing dividends in kind, subject to applicable law, in form of fully or partly paid shares or other securities.

### B. CONSIDERATIONS AND FACTORS RELEVANT FOR DETERMINING DECISION OF DIVIDEND PAY-OUT

The Board shall consider the following factors, while taking decisions of a dividend payout during a particular year-

#### Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013 or Electricity Act, 2003 read with relevant Rules and Regulations thereunder, if any, the Listing Regulations, other applicable legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

The Company shall also take into account the prevalent taxation and other regulatory concern such as following:

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

#### Agreements with lending institutions/ Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements, if any, as may be entered into with the lenders of the Company from time to time.

#### Prudential requirements

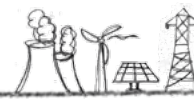
The Company shall analyse the prospective projects and strategic decisions in order to decide :

- to build a healthy reserve of retained earnings;
- to augment long term strength;
- to build a pool of internally generated funds to provide long-term resources as well as resource-raising potential for the Company; and
- the needs for capital conservation and appreciation.

#### Proposals for major capital expenditures etc.

In addition to plough back of earnings, the Board may also take





into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital stock, including any major capital expenditure proposals.

#### **Extent of realized profits as a part of the IND AS profits of the Company**

The extent of realized profits out of its profits calculated as per IND AS, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend or retention decision.

#### **Expectations of major stakeholders, including small shareholders**

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall, as far as possible, consider the expectations of the major stakeholders including the small shareholders of the Company who generally expects for a regular dividend payout.

#### **Macroeconomic conditions**

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall also take into account the policy decisions that may be formulated by the Government from time to time and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company.

#### **Past Dividend Trends of the Company**

The past dividend payment trend of the Company also determines the expectation of the shareholders.

### **C. OTHER FINANCIAL PARAMETERS**

In addition to the aforesaid parameters such as realized profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based the following :

#### **Operating cash flow of the Company**

If the Company is not able to generate adequate operating cash flow and may need to rely on outside funding to meet its financial obligations. The Board will consider the same before it decides on whether to declare dividend or retain its profits.

#### **Cost of borrowings**

The Board will analyze the requirement of necessary funds considering the long term or short term projects, expansions proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

#### **Net sales of the Company**

To increase its sales in the long run, the Company will need to increase its marketing and selling expenses, advertising etc. The amount outlay in such activities will influence the decision of declaration of dividend.

#### **Return on invested capital**

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

#### **Magnitude of earnings of the Company**

Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

#### **Debt Obligations**

The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

#### **Inadequacy of profits**

If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

#### **Post dividend EPS**

The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

### **D. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED**

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013 or Electricity Act, 2003 read with relevant Rules and Regulations framed thereunder, if any, the Listing Regulations, other applicable legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses as may be statutorily required under various legislations applicable to the Company.

The Board shall consider the factors provided above under Para A, B and C, before determination of any dividend payout. Further the Board may also take into consideration such other circumstances as it may in its absolute discretion think fit.

### **E. MANNER OF DIVIDEND PAYOUT**

Declaration and payment of dividends process will be as follows, subject to applicable regulations:

#### **In case of final dividends**

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company and be paid within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

#### **In case of interim dividend**

1. Interim dividend, if any, shall be declared by the Board.
2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to





receive the dividend on the record date as per the applicable laws.

4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

## **F. MANNER OF UTILISATION OF RETAINED EARNINGS**

The Board may retain its earnings in order to make optimum utilisation of the available resources and enhance the shareholder's value. The retained earnings of the Company can be used for acquisitions, expansions, diversifications or for meeting the working capital requirements, other liabilities of the Company or may be retained for its business purpose in accordance with the applicable provisions of the Companies Act, 2013 or Electricity Act, 2003 read with relevant Rules and Regulations framed thereunder, if any, the Listing Regulations, other applicable legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The decision of distributing dividend or utilisation of the retained earnings shall be taken after having due regard to the parameters laid down in this Policy.

## **G. PARAMETERS FOR VARIOUS CLASSES OF SHARES**

1. The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as

covered above. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

2. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
3. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

## **AMENDMENT**

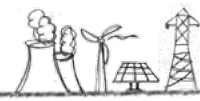
To the extent any change/amendment is required in terms of any applicable law, the Managing Director or the Chief Executive Officer or the Whole Time Director of the Company shall be jointly / severally authorised to review and amend the Policy, to give effect to any such changes/ amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015





## NOMINATION & REMUNERATION POLICY

### 1. Preamble

- 1.1** Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 1.2** Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Nomination and Remuneration Policy ("the Policy") has been framed in compliance with the provisions of the Act and Rules made under the Act.
- 1.3** 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.

- 1.4** The existing Remuneration Committee of the Board of Directors has been re-named as Nomination and Remuneration Committee ("the Committee or NRC") so as to comply with the provisions of Section 178(1) of the Act. The Members of the Committee shall be appointed by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.
- 1.5** This Policy will be called "India Power Nomination & Remuneration Policy" and referred to as "the Policy".
- 1.6** The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

### 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. Principles of remuneration

- 3.1** Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.
- 3.2** Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3** Internal equity: The Company shall remunerate the Executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4** External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.5** Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other laws.
- 3.6** Performance-Driven Remuneration: The Company may establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.
- 3.7** Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

### 4. Terms of Reference and Role of the Committee

- 4.1** The Terms of Reference and Role of the Committee as set by the Board of Directors are as under:
- 4.1.1** Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation



of Independent, Executive and Non-Executive Directors of the Company;

- 4.1.2** Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
- 4.1.3** Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;
- 4.1.4** Ensure "fit and proper" status of existing/proposed Directors of the Company in accordance with RBI Circular on Corporate Governance, issued from time to time;
- 4.1.5** Formulate, administer and supervise the Company's Stock Option schemes, if any, in accordance with relevant laws;
- 4.1.6** Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- 4.1.7** Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 4.1.8** Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and Senior Management involves a balance between fixed and incentive pay, if any, reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- 4.1.9** Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;
- 4.1.10** Formulate the criteria for evaluation of Independent Directors and the Board;
- 4.1.11** Devise a policy on Board diversity;
- 4.1.12** Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- 4.1.13** Deal with such matters as may be referred to by the Board of Directors from time to time;

**4.2** The Committee shall:

- 4.2.1** review the ongoing appropriateness and relevance of the Policy;
- 4.2.2** ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;
- 4.2.3** obtain reliable, up-to-date information about remuneration in other companies;
- 4.2.4** ensure that no director or executive is involved in any decisions as to their own remuneration.

**4.3** Without prejudice to the generality of the terms of reference as set out above, the Committee shall:

- 4.3.1** operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to the Executives including individual limit and make amendments to the terms of such schemes, as the case may be;
- 4.3.2** liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors.
- 4.3.3** review the terms of Executives service contracts from time to time.

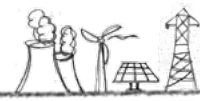
## **5. Procedure for selection and appointment of the Board Members**

**5.1** Board membership criteria:

- 5.1.1** 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's global operations.
- 5.1.2** 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 organizations 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.
- 5.1.3** Director should possess the highest personal and professional ethics, integrity and values. They







should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

- 5.1.4** In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 5.1.5** The Committee shall evaluate each Director with the objective of having a group that best enables the success of the Company's business.

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

- 5.2.1** 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.
- 5.2.2** 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.

## 6. Procedure for selection and nomination of KMP 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. The appointment and/or removal of KMPs shall be placed before the NRC and / or Board of Directors at regular intervals.

Further, in case of appointment of SMPs (excluding KMPs), the appointment as approved by the Chairman and Head of the HR Department shall be placed before the NRC at regular intervals.

## 7. Compensation Structure

### 7.1 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. The fees paid to the Non-executive Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act (which is currently ₹ 25,000/- per meeting) and for attending Audit Committee ₹ 10,000/- per meeting. However, fees for attending other Committee meetings i.e. Committee of Directors, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee is ₹ 10,000/- per meeting. 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 and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law.

If any such director draws or receives, directly or indirectly, by way of fee/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.

### 7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (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(s) (KMPs) and Senior Management Personnel(s) (SMPs). 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.

A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company may receive any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs shall be determined by the Chairman and Head of Human Resource (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.

## **8. Powers of the Committee and Meetings of the Committee**

The Committee shall have inter-alia the following powers:

- 8.1** Conduct studies or authorise studies of issues within the scope of the Committee with full access to all books, records, facilities and personnel of the Company;
- 8.2** Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company;
- 8.3** Delegate its powers to any Member of the Committee or any KMP of the Company or form sub-committees to perform

any of its functions or role under this Policy.

The Committee shall meet at least once in six months. Additional meetings may happen as the Committee deems it appropriate.

## **9. Approval and publication**

- 9.1** This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2** The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.

## **10. Supplementary provisions**

- 10.1** This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2** Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations, the Company's Articles of Association.

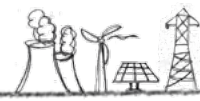
The right to interpret this Policy vests in the Board of Directors of the Company.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

[Pursuant to Section 135 of Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

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	Your Company recognises its responsibility towards the community and the environment in which it operates.
	Your Company is committed to undertake CSR projects which are sustainable and with long term purpose of improving the quality of living for the less privileged and social assets.
	A brief overview of CSR projects/programmes undertaken by your Company during the financial year 2017-18 is given below:
	<b>Education:</b> Promoting education, vocational skill development, providing opportunities to deserving students and working on making premium education easily available to the society.
	<b>Women empowerment &amp; social upliftment:</b> Providing capacity development, conducting self help training programmes and imparting life skill management for underprivileged economically backward women, adolescent girls and acid attack victims.
	<b>Health care &amp; sanitation:</b> Promoting preventive health care and sanitation by organising health camps and providing free medical aid. Conducting awareness programmes on safe drinking & cleanliness.
	The details of the CSR activities undertaken by your Company are also available on the Company's website at the link <a href="http://www.indiapower.com/page/about-us">http://www.indiapower.com/page/about-us</a> .
	Your Company's CSR Policy is available on the Company's website at the link <a href="http://www.indiapower.com/pdf/Corporate%20Social%20Responsibility%20Policy.pdf">http://www.indiapower.com/pdf/Corporate%20Social%20Responsibility%20Policy.pdf</a> .
2. The Composition of the CSR Committee	Mr. Hemant Kanoria, Chairman (Non-Executive Director) Mr. Amit Kiran Deb (Non-Executive Independent Director) Mr. Jyoti Kumar Poddar (Non-Executive Non-Independent Director)
3. Average net profit of the Company for last three financial years	₹ 4,715.54 Lakhs
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 94.31 Lakhs
5. Details of CSR spent during the financial year a. Total amount to be spent for the financial year b. Amount unspent, if any c. Manner in which the amount spent during the financial year	₹ 94.31 Lakhs Nil The manner in which the amount is spent is detailed in Annexure A.
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 Boards' Report	Not Applicable
7. Responsibility Statement of the CSR Committee	The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Company.





**Annexure A**

(₹ in Lakhs)

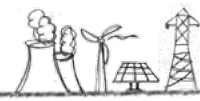
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local areas or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Education	Asansol (License area of the Company) and Kolkata, West Bengal		0.43	0.43	United Religions Initiatives
					0.18	0.18	Namo Saltore Vivekananda Vidya Ashram Model Educational Society
					0.35	0.35	Society for Community Intervention and Research
					50.00	50.00	Directly by the Company
					0.37	0.37	Directly by the Company
2	Rural Development Projects	Rural Development	Asansol, West Bengal (License area of the Company)		8.93	8.93	Directly by the Company
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Women Empowerment & Social Upliftment	Asansol (License area of the Company) and Kolkata, West Bengal	95.00	1.11	1.11	Society for Research & Rudimentary Education on Social & Health Issues (SRREOSHI)
					0.10	0.10	Parashmani Welfare Society
					25.00	25.00	Acid Survivors & Women Welfare Foundation
					2.40	2.40	Marwari Relief Society and Ranigunj Chamber of Commerce
					0.36	0.36	FICCI Ladies Organisation (FLO)
4	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Health	Asansol, West Bengal (License area of the Company)		2.80	2.80	Mission Smile
					2.50	2.50	UJJIBAN-03
					0.15	0.15	Sitarampur Ramkrishna Sarada Sadan
5	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	Sports	Asansol, West Bengal (License area of the Company)		0.83	0.83	United Religions Initiatives
<b>Total</b>				<b>95.00</b>	<b>95.51</b>	<b>95.51</b>	

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman, CSR Committee  
DIN: 00193015

**Sanjeev Seth**  
Chief Executive Officer



**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018**

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

The Members,  
India Power Corporation Limited  
Plot No. X1-2 & 3, Block-EP, Sector-V  
Salt Lake,  
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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by India Power Corporation Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (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 Obligations 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% by the Company, 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 the Company 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 which constituted members of the Public, and accordingly, IPCL's shareholding in the Company 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 filed an application before the Hon'ble High Court at Calcutta seeking 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, which the Company contested.

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 ₹ 1 each of the Company aggregating to ₹ 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 ₹ 1 each aggregating to ₹ 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 Interim Order passed by SEBI relating to Minimum Public Shareholding requirement.

Further, the Hon'ble High Court at Calcutta vide its order dated 27th January, 2017 directed Power Trust to Offer For Sale (OFS) 32,63,16,563 equity shares in tranches held by Power Trust to the public by April 30, 2017. Against the aforesaid Order, Power Trust (the Seller) floated two OFSs, wherein 9,35,403 equity shares was sold. Thereafter, Power Trust held 32,53,81,160 Equity Shares in the Company. Power Trust approached the Hon'ble High Court at Calcutta for modification and/or variation in the Order dated 27th January, 2017. The Hon'ble High Court at Calcutta, vide its Order dated 25th August, 2017, directed Power Trust to sell the shares by end of the calendar year. Further it has also stated that if for any reason the sale is not concluded by 31st December, 2017, the same should be done by end of February, 2018 beyond which no further time will be granted.

In terms of the aforesaid Order dated 25th August, 2017, Power Trust (the Seller) floated three OFSs, wherein 13,27,763 equity shares was sold. Thereafter, Power Trust held 32,40,53,397 Equity Shares.

We have been informed by the Management that Power Trust filed an application before the High Court seeking extension of time to sell the balance shares of the Company to the public and permission to off load and/or sell balance shares of the Company as held by Power Trust using any and/or all methods or any

combinations of the methods prescribed by SEBI including two methods provided under SEBI's recent circular dated February 22, 2018. The Hon'ble High Court at Calcutta, vide its Order dated 18th May, 2018 has directed to dispose of the balance shares expeditiously by using any and all methods and/or combinations thereof as prescribed by the relevant statutory provisions, including the two methods additionally provided under SEBI's recent circular dated February 22, 2018 subject to such caps and limits as provided by the SEBI Regulations. For such purpose, SEBI registered merchant bankers may be appointed to sell the balance shares. The matter has been disposed of.

2. 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 of the Hon'ble High Court at Calcutta. The disposal of 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.

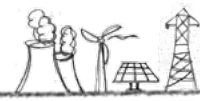
**H M Choraria & Co.**  
Practising Company Secretary

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

Place: Kolkata  
Date: 29th May, 2018







## REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At the heart of the Company's Corporate Governance framework is the ideology of transparency and openness in the effective working of the management and Board. The Company is committed to doing things the right way and adopting best Corporate Governance practices at all times. The Company constantly endeavors to improve focus on it by increasing transparency, accountability, integrity, compliances, social responsibility and ethical values. The Company believes that the imperative for laying the foundation of good corporate governance lies not merely in developing the desired Corporate Governance framework but in practicing it.

The Company had laid the foundation of a sound and robust Corporate Governance framework by constituting an eminent, accomplished and diverse Board, forming a core group of competent top level management and putting in place appropriate and updated systems, well defined processes and modern technology.

### BOARD OF DIRECTORS

#### • Composition of the Board of Directors

The composition of the Board of Directors of the Company is

in conformity with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and Companies Act, 2013 (hereinafter referred to as "Act"). The Board of the Company comprises of an appropriate combination of Executive and Non-Executive Directors with majority Independent Directors. As on 31st March, 2018, the Board comprised of 11 (eleven) Directors, details whereof is given below:

- 2 (two) Executive Directors
- 3 (three) Non-Executive Non-Independent Directors including Chairman
- 6 (six) Non-Executive Independent Directors including a Women Director

The Directors are persons of repute with strength of character and professional eminence. The strength of the Board is accentuated by its diversity in terms of skills, professionalism, knowledge and experience. The Independent Directors impart balance to the Board processes by bringing independent judgement in its deliberations and decisions. A brief profile of the Directors of the Company is available on the Company's website [www.indiapower.com](http://www.indiapower.com).

**The details of composition of the Board (including category of Directors), their attendance at Board Meetings held during the financial year 2017-18 and at the last Annual General Meeting held on 12th August, 2017 and the number of other Directorship(s) and other Board Committees' Membership(s)/Chairmanship(s) are as follows:**

Name of the Director	Category	No. of Board Meetings attended <sup>1</sup>	Attendance at the last AGM	No. of other Directorships <sup>2</sup>	Other Committee positions <sup>3</sup>	
					As Chairman	As Member
Mr. Hemant Kanoria	Non - Executive Non - Independent Chairman	3	Yes	2	-	2
Mr. Sunil Kanoria	Non - Executive Non - Independent Vice Chairman	1	No	3	-	4
Mr. Raghav Raj Kanoria (appointed w.e.f. 1st June, 2017)	Executive (Managing Director)	3	Yes	3	-	-
Mr. Asok Kumar Goswami	Executive (Whole-time Director)	4	Yes	7	-	2
Mr. Jyoti Kumar Poddar	Non - Executive Non - Independent	3	Yes	2	-	-
Mr. Amit Kiran Deb	Non - Executive Independent	4	Yes	7	3	2
Mr. Nand Gopal Khaitan	Non - Executive Independent	4	Yes	6	3	4
Mr. Debi Prasad Patra	Non - Executive Independent	4	Yes	2	-	-
Mr. Tantra Narayan Thakur	Non - Executive Independent	3	Yes	6	2	2
Mr. S. Sundarshan	Non - Executive Independent	4	Yes	6	-	8
Ms. Dipali Khanna	Non - Executive Independent	4	Yes	2	-	1

<sup>1</sup> 4 (four) meetings of the Board were held during the financial year 2017-18 on 29th May, 2017, 12th August, 2017, 6th November, 2017 and 13th February, 2018. The gap between any two consecutive meetings did not exceed one hundred and twenty days. Necessary quorum was present at all the meetings

<sup>2</sup> Excludes Directorships in private limited companies, foreign companies and companies under Section 8 of the Act

<sup>3</sup> Represents Committee positions held in Audit Committee and Stakeholders' Relationship Committee



As per declarations received from the Directors, none of the Directors are related to each other, except Mr. Hemant Kanoria & Mr. Sunil Kanoria who are related as brothers and Mr. Raghav Raj Kanoria who is the son of Mr. Hemant Kanoria.

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

• **Independent Directors**

As on 31st March, 2018, the Board comprised of 6 (six) Independent Directors. The Independent Directors on the Board fulfill the criteria of independence as specified under Regulation 16 of the Listing Regulations and Section 149 of the Act. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where the Director is serving as a Whole-time Director in any listed company, such Director is not serving as an Independent Director in more than three listed companies. The maximum tenure of the Independent Directors is in compliance with the provisions of the Act.

The terms and conditions of appointment of the Independent Directors are set out in the appointment letter issued to the Directors at the time of their appointment/re-appointment. The terms and conditions are also disclosed on Company's website at the link <http://www.indiapower.com/pdf/Terms%20&%20Conditions%20of%20Appointment%20of%20ID.pdf>.

**Familiarisation Programme**

In terms of Regulation 25(7) of the Listing Regulations, the Company conducts 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 familiarisation programmes imparted to Independent Directors during the year under review and on cumulative basis till financial year 2017-18 are put up on the Company's website at the link <http://www.indiapower.com/pdf/Familiarization%20Programme%20of%20ID%20-%202017-18.pdf>.

**Separate Meeting of Independent Directors**

The Independent Directors of the Company meet at least once in a year without the presence of the non-independent Directors and the Members of the Management in terms of Schedule IV to the Act and Regulation 25 of the Listing Regulations. During the year under review, the Independent Directors met on 6th November, 2017 inter-alia to:

- Review the performance of the non-independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson, taking into account the views of Executive and Non-Executive Directors;
- assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

**COMMITTEES OF THE BOARD**

To enable better governance of the affairs of the Company, to focus on specific areas/activities and critical functions concerning the Company, to take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters in their areas or purview various Board Committees have been constituted

under the formal approval of the Board comprising of Executive and Non-Executive Directors.

The Company had 6 (six) Board Committees as on 31st March, 2018 viz. Audit Committee, Nomination and Remuneration Committee, Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Committee of Directors.

All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. Minutes of the proceedings of the Committees are circulated to the Members of the Committee and are also placed before the Board for their noting.

The brief description of the Committee's terms of reference, composition, meetings held during the financial year 2017-18, attendance of the Members at the meetings, etc., are as follows:

**AUDIT COMMITTEE**

Constituted in terms of Regulation 18 of the Listing Regulations and Section 177 of the Act

• **Terms of reference**

The terms of reference of the Audit Committee include the following:

- Oversight of the Company's financial reporting process;
- Reviewing the quarterly and annual financial statements of the Company and the auditor's report thereon before submission to the Board for approval;
- Recommending appointment/re-appointment and remuneration of the Auditors to the Board;
- Reviewing the performance of Auditors and adequacy of internal control systems;
- Reviewing the functioning of the Whistle Blower/Vigil Mechanism;
- Reviewing and approving Related Party Transactions;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Other matters specified under Regulation 18 of Listing Regulations read with Part C of Schedule II to the Listing Regulations and Section 177 of the Act or referred to the Committee by the Board of Directors from time to time.

• **Composition**

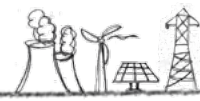
The composition of the Audit Committee is in accordance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act.

As on 31st March, 2018, the Audit Committee comprised of 6 (six) Non-Executive Directors, 4 (four) of whom including the Chairman of the Committee were Independent Directors. The composition of the Committee as on 31st March, 2018 is detailed below:

Members	Category
Mr. Amit Kiran Deb, Chairman	Non - Executive Independent
Mr. Sunil Kanoria	Non - Executive Non - Independent
Mr. Jyoti Kumar Poddar	Non - Executive Non - Independent
Mr. Nand Gopal Khaitan	Non - Executive Independent
Mr. Debi Prasad Patra	Non - Executive Independent
Mr. S. Sundareshan	Non - Executive Independent

As per the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act, all Members of the Audit Committee





including the Chairman are financially literate with at least one Member having expertise in accounting or related financial management. The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 12th August, 2017.

The Audit Committee meetings are also attended by the Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit Department and other Senior Executives of the Company. The Representatives of Statutory Auditors, Internal Auditors and Cost Auditors are also invited to attend the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

- **Meetings and Attendance**

4 (four) meetings of the Audit Committee were held during the financial year 2017-18 on 29th May, 2017, 12th August, 2017, 6th November, 2017 and 13th February, 2018. The gap between any two consecutive meetings did not exceed one hundred and twenty days. Requisite quorum was present at all the Audit Committee meetings.

The attendance of the Members at these meetings was as follows:

Members	No. of meetings held during the tenure	No. of meetings attended
Mr. Amit Kiran Deb	4	4
Mr. Sunil Kanoria	4	1
Mr. Jyoti Kumar Poddar	4	3
Mr. Nand Gopal Khaitan	4	4
Mr. Debi Prasad Patra	4	4
Mr. S. Sundareshan	4	4

## NOMINATION AND REMUNERATION COMMITTEE

Constituted in terms of Regulation 19 of the Listing Regulations and Section 178 of the Act

- **Terms of reference**

The terms of reference of the Nomination and Remuneration Committee include the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of Directors;
- Recommend to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees;
- To identify persons who are qualified to become Directors or Key Managerial Personnel and who may be appointed in Senior Management in accordance with the criteria laid down, either by itself or on the recommendation of the Management of the Company and recommend to the Board their appointment and removal;
- Formulate the criteria for evaluation of performance of all the Directors, Committees and the Board as a whole;
- Devise a policy on Board diversity;
- Other matters as specified under Regulation 19 of the Listing Regulations read with Part D of Schedule II to the Listing

Regulations and Section 178 of the Act or referred to the Committee by the Board of Directors from time to time.

- **Composition**

The composition of the Nomination and Remuneration Committee has been in accordance with the requirements of Regulation 19 of the Listing Regulations and Section 178 of the Act.

As on 31st March, 2018, the Nomination and Remuneration Committee comprised of 5 (five) Non-Executive Directors, out of which 3 (three) Directors, including the Chairman of the Committee were Independent Directors. The composition of the Committee as on 31st March, 2018 is detailed below:

Name of the Member	Category
Mr. Nand Gopal Khaitan, Chairman	Non - Executive Independent
Mr. Hemant Kanoria	Non - Executive Non - Independent
Mr. Jyoti Kumar Poddar	Non - Executive Non - Independent
Mr. Amit Kiran Deb	Non - Executive Independent
Mr. Debi Prasad Patra	Non - Executive Independent

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting of the Company held on 12th August, 2017.

- **Meetings and Attendance**

2 (two) meetings of the Nomination and Remuneration Committee were held during the financial year 2017-18 on 29th May, 2017 and 12th August, 2017. Requisite quorum was present at all the meetings.

The attendance of the Members at these meetings was as follows:

Members	No. of meetings held during the tenure	No. of meetings attended
Mr. Nand Gopal Khaitan	2	2
Mr. Hemant Kanoria	2	2
Mr. Jyoti Kumar Poddar	2	2
Mr. Amit Kiran Deb	2	2
Mr. Debi Prasad Patra	2	2

- **Performance evaluation**

Pursuant to the provisions of Sections 134, 149 read with Code of Independent Directors (Schedule IV) and 178 of the Act, Listing Regulations and in line with the Guidance Note on Board Evaluation issued by SEBI dated 5th January, 2017, the annual evaluation of the performance of the Board, the working of the Committees of the Board and individual Directors (including Independent Directors and the Chairman of the Company) is carried out by the Nomination and Remuneration Committee and the Board of Directors.

The performance evaluation is carried out through a structured questionnaire seeking feedback from the Directors on certain pre-defined parameters applicable to them, including some specific ones for the Independent Directors.





In respect of Independent Directors, the criteria or the attributes includes ensuring independence and avoiding conflict of interest, safeguarding the interest of minority shareholders, attendance at Board and Committees meetings, application of independent judgement while taking decisions at the meetings of the Board and Committees, etc.

During the year under review, the Nomination and Remuneration Committee and the Board carried out the annual evaluation of its own performance as well as the evaluation of the working of various Board Committee and Individual Directors. The Directors expressed their satisfaction with the overall evaluation process.

Further, in the separate meeting of Independent Directors held during the year under review, performance of non-Independent Directors, performance of the Board and the performance of the Chairman was evaluated and the quality, quantity and timeliness of flow of information between the Company's Management and the Board was assessed.

• **Remuneration of Directors**

**Remuneration to Executive Directors**

Payment of remuneration to the Managing Director and Whole-time Director of the Company is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and the Shareholders. The remuneration of Managing Director and Whole-time Director comprises of the fixed components of salary, perquisites and allowances. The Managing Director is also entitled to commission and annual increments, decided by the Board of Directors on the recommendation of the Nomination and Remuneration

Committee, based on his individual performance as well as the performance of the Company.

The tenure of the office of Whole-time Director and Managing Director is for 5 (five) years w.e.f. 15th September, 2014 and 1st June, 2017 respectively. Appointment of the Managing Director and Whole-time Director is terminable by giving 3 (three) months notice in writing. The Company does not have any scheme for grant of Stock Options to its Directors. There is no separate provision for payment of severance fees.

**Remuneration to Non-Executive Directors**

The Non-Executive Directors are paid sitting fees for attending meetings of the Board and the Committees thereof as determined by the Board from time to time (at present, paid at the rate of ₹ 25,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of the Committees thereof). The Non - Executive Directors are also reimbursed out-of-pocket expenses wherever applicable, for attending such meetings.

The Members of the Company at the Annual General Meeting held on 13th September, 2014 approved the payment of commission to the Non-Executive Directors not exceeding 1 (one) percent per annum of the net profits of the Company in accordance with the provisions of Section 198 of the Act as may be determined by the Board of Directors from time to time not exceeding the limits prescribed under the Act.

None of the Directors of the Company hold any equity shares/ convertible instruments in the Company. No pecuniary relationship or transactions has been entered into by the Company with any of the Non-Executive Directors of the Company, except for the payment of sitting fees and commission to the Non-Executive Directors.

The details of remuneration paid/payable to the Directors for the financial year 2017-18 are as follows:

(₹ In Lakhs)				
Name of the Director	Sitting Fees <sup>1</sup>	Salary & Perquisites <sup>2</sup>	Commission <sup>3</sup>	Total (excluding service tax)
Mr. Hemant Kanoria	2.45	-	1.00	3.45
Mr. Sunil Kanoria	0.65	-	1.00	1.75
Mr. Raghav Raj Kanoria <sup>4</sup>	-	123.77	-	123.77
Mr. Asok Kumar Goswami	-	30.90	-	30.90
Mr. Jyoti Kumar Poddar	2.65	-	8.00	10.55
Mr. Amit Kiran Deb	1.90	-	8.00	9.90
Mr. Nand Gopal Khaitan <sup>5</sup>	1.60	-	8.00	9.60
Mr. Debi Prasad Patra	1.90	-	8.00	9.90
Mr. Tantra Narayan Thakur	0.95	-	8.00	8.95
Mr. S. Sundareshan	1.40	-	8.00	9.40
Ms. Dipali Khanna	1.00	-	8.00	9.00
<b>Total</b>	<b>14.50</b>	<b>154.67</b>	<b>58.00</b>	<b>227.17</b>

<sup>1</sup> Includes sitting fees paid/payable to the Non-Executive Directors for attending meetings of the Board and Committees thereof

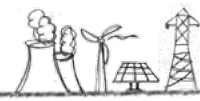
<sup>2</sup> Includes Basic Salary, House Rent Allowance, Medical Allowance, Special Allowance, One Time Payment, Conveyance Hiring Charges, Fixed Performance Incentive, Ex-gratia, Leave Travel Allowance, Provident Fund, Gratuity, Incentives and other Perquisites

<sup>3</sup> Reflects the Commission paid to the Non-Executive Directors pertaining to the financial year 2016-17 excluding Service Tax

<sup>4</sup> Appointed w.e.f. 1st June, 2017

<sup>5</sup> Khaitan & Co., Solicitor of the Company of which Mr. Nand Gopal Khaitan, Independent Director is a Partner, rendered professional services to the Company during the financial year 2017-18 on receipt of fee





## STAKEHOLDERS RELATIONSHIP COMMITTEE

Constituted in terms of Regulation 20 of the Listing Regulations and Section 178 of the Act

The Company has a Stakeholders Relationship Committee under the nomenclature "Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee".

### • Terms of reference

The Committee deals with various matters relating to satisfactory redressal of shareholders and investors' grievances and recommends measures for overall improvement in the quality of investor services.

### • Composition

The composition of the Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee has been in accordance with the requirements of Regulation 20 of the Listing Regulations and Section 178 of the Act.

As on 31st March, 2018, the Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee comprised of 4 (four) Directors, out of which 3 (three) Directors, including the Chairman of the Committee were Non-Executive Directors. During the year under review, Mr. Raghav Raj Kanoria was inducted as a Member of the Committee w.e.f. 6th November, 2017. The composition of the Committee as on 31st March, 2018 is detailed below:

Name of the Member	Category
Mr. Hemant Kanoria, Chairman	Non - Executive Non - Independent
Mr. Raghav Raj Kanoria	Executive
Mr. Jyoti Kumar Poddar	Non - Executive Non - Independent
Mr. Debi Prasad Patra	Non - Executive Independent

The Company Secretary acts as the Secretary to the Committee.

### • Meetings and Attendance

1 (one) meeting of the Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee was held during the financial year 2017-18 on 6th November, 2017. Requisite quorum was present at the meeting.

The attendance of the Members at the meeting was as follows:

Members	No. of meetings held during the tenure	No. of meeting attended
Mr. Hemant Kanoria	1	1
Mr. Raghav Raj Kanoria	Nil	Not Applicable
Mr. Jyoti Kumar Poddar	1	-
Mr. Debi Prasad Patra	1	1

### • Compliance Officer

Mr. Prashant Kapoor, Company Secretary of the Company has been designated as the Compliance Officer of the Company.

### • Shareholders' Complaints

During the year under review, no complaint was received from any Shareholder of the Company either by the Registrar and Share Transfer Agent of the Company or on SCORES, the web based redressal system of the Securities and Exchange Board of India (hereinafter referred to as "SEBI").

Pursuant to Regulation 13(3) read with Regulation 13(4) of the Listing Regulations, Statements of Investor Complaints as received from the Registrar and Share Transfer Agent is filed with the Stock Exchanges on a quarterly basis and are also placed before the Board of Directors for their information and noting.

## OTHER COMMITTEES OF DIRECTORS

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE				
Brief Terms of Reference	Composition		Meetings	
	Name	Category	No. of meetings held during the tenure	No. of meeting attended
a) Formulate and recommend to the Board, a Corporate Social Responsibility (hereinafter referred to as "CSR") Policy which shall indicate the CSR activities to be undertaken by the Company as specified in the Act.	Mr. Hemant Kanoria, Chairman	Non - Executive Non - Independent	1	1
	Mr. Jyoti Kumar Poddar	Non - Executive Non - Independent	1	1
	Mr. Amit Kiran Deb	Non - Executive Independent	1	1
b) Recommend to the Board the amount of expenditure to be incurred on CSR activities.	The Company Secretary of the Company acts as the Secretary to the Committee.		1 (one) meeting was held on 29th May, 2017.	
c) Monitor the CSR Policy of the Company from time to time.				

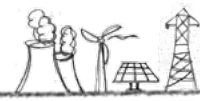


RISK MANAGEMENT COMMITTEE				
Brief Terms of Reference	Composition		Meetings	
	Name	Category	No. of meetings held during the tenure	No. of meetings attended
a) Identification of various risks relating to business.	Mr. Tantra Narayan Thakur, Chairman	Non - Executive Independent	2	2
b) Assessing and classifying the risk associated with the business.	Mr. Hemant Kanoria	Non - Executive Non - Independent	2	1
c) Preparing mitigation plans to minimize risk and monitoring the same.	Mr. Raghav Raj Kanoria*	Executive	1	1
	Mr. Jyoti Kumar Poddar	Non - Executive Non - Independent	2	2
	Mr. Amit Kiran Deb	Non - Executive Independent	2	2
	Mr. Debi Prasad Patra	Non - Executive Independent	2	2
	Mr. Asok Kumar Goswami	Executive	2	2
	*inducted as a Member of the Committee w.e.f. 6th November, 2017.		2 (two) meetings were held on 12th August, 2017 and 13th February, 2018.	
	1. The Company Secretary of the Company acts as the Secretary to the Committee.			
	2. Mr. Sanjeev Seth, Chief Executive Officer and Mr. Argha Ghosh, Vice President - Internal Audit are permanent invitees to the Committee.			

COMMITTEE OF DIRECTORS				
Brief Terms of Reference	Composition		Meetings	
	Name	Category	No. of meetings held during the tenure	No. of meetings attended
a) Oversight of banking and borrowing related matters	Mr. Hemant Kanoria, Chairman	Non - Executive Non - Independent	12	12
b) To authorise the Company officials for signing various agreements, deeds and documents etc.	Mr. Sunil Kanoria	Non - Executive Non - Independent	12	3
	Mr. Raghav Raj Kanoria*	Executive	8	8
c) To consider, approve and submit various Bid documents etc. for promotion, investment, joint venture and/or expression etc.	Mr. Jyoti Kumar Poddar	Non - Executive Non - Independent	12	11
	Mr. Asok Kumar Goswami	Executive	12	10
	*inducted as a Member of the Committee w.e.f. 12th August, 2017.		12 (twelve) meetings were held on 11th April, 2017; 15th May, 2017; 15th June, 2017; 24th July, 2017; 17th August, 2017; 6th September, 2017; 13th October, 2017; 22nd November, 2017; 19th December, 2017; 3rd January, 2018; 2nd February, 2018 and 30th March, 2018.	
	The Company Secretary of the Company acts as the Secretary to the Committee.			







## GENERAL BODY MEETINGS

- Annual General Meetings:**

The details of date, time and venue of the Annual General Meetings of the Company held during the preceding three financial years and the special resolutions passed there at, are as under:

AGM	Year	Location	Date	Time	Special Resolution passed at the AGM
97th	2016-17	Registered Office: Plot No. X – 1, 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata – 700 091	12th August, 2017 (Saturday)	11:30 a.m.	Issue and allotment of secured and/or unsecured, listed and/or unlisted Non-Convertible Debentures and/or other debt securities, including Bonds, Commercial Papers etc., on private placement basis
96th	2015-16	Registered Office: Plot No. X – 1, 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata – 700 091	10th September, 2016 (Saturday)	11:30 a.m.	Creation of Charge/Mortgage /Hypothecation in terms of provisions of Section (180(1)(a)) of the Act  Investment of the Company in excess of the prescribed limit in terms of the provisions of Section 186(2) of the Act  Variation in remuneration of Mr. Asok Kumar Goswami (DIN 03331661), Whole-time Director of the Company  Issue and allotment of secured and/or unsecured, listed and/or unlisted Non-Convertible Debentures and/or other debt securities, including Bonds, Commercial Papers etc., on private placement basis
95th	2014-15	Registered Office: Plot No. X – 1, 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata – 700 091	11th September, 2015 (Saturday)	11:00 a.m.	Appointment of Mr. Asok Kumar Goswami (DIN 03331661) as the Whole-time Director of the Company.

- Postal Ballot Exercise:**

No special resolution was passed by the Company through Postal Ballot during the financial year 2017-18 and no special resolution(s) is proposed to be conducted through Postal Ballot.

## MEANS OF COMMUNICATION

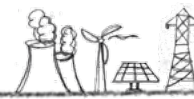
Providing timely disclosure of consistent, relevant, reliable and updated information to the stakeholders is at the core of good Corporate Governance for the Company.

The quarterly unaudited financial results and the annual audited financial results of the Company are approved by the Board of Directors and are disseminated to the Stock Exchanges immediately after the conclusion of the meeting of the Board of Directors in which financial results are considered and approved, in terms of the provisions of the Listing Regulations.

During the financial year 2017-18, the quarterly unaudited financial results and the annual audited financial results were published in the prescribed format within forty-eight hours of the conclusion of the meeting of the Board of Directors in prominent newspapers viz, Financial Express (in English) and Aajkaal (in vernacular language – Bengali).

The Company website [www.indiapower.com](http://www.indiapower.com) contains a dedicated section “Investor Relations” where information for the shareholders are available. The quarterly/annual financial results, annual reports, shareholding pattern, policies, investors’ contact details, details of unclaimed dividends/shares, etc. are posted on the website of the Company in addition to the information stipulated under the Listing Regulations and the Act. The presentations made to institutional investors / analysts are also uploaded on the Company’s website. Official news releases are also displayed on the website of the Company under the “Media” section.

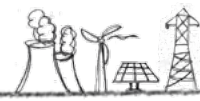




## OTHER DISCLOSURES

Particulars	Details	Website link of the Policy/code
Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of the Company	<p>Details of all Related Party Transactions entered into by the Company during the financial year 2017-18 are disclosed under Notes to the Standalone Financial Statements for the year ended 31st March, 2018 in accordance with the Indian Accounting Standards. All the Related Party Transactions are entered into by the Company on an arm's length basis and in ordinary course of business with the approval of the Audit Committee. Quarterly statement of the Related Party Transactions is also placed before the Audit Committee for their review.</p> <p>The Company has not entered into any materially significant Related Party Transaction during the financial year 2017-18 having potential conflict with the interests of the Company at large.</p>	<a href="http://www.indiapower.com/pdf/Related%20Party%20Transactions%20Policy.pdf">http://www.indiapower.com/pdf/Related%20Party%20Transactions%20Policy.pdf</a>
Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years	<p>SEBI vide its interim order dated 4th June, 2013 has, amongst other things, prohibited the Promoters/Promoter Group and Directors of the Company from buying, selling or otherwise dealing in securities of the Company, except for the purpose of complying with minimum public shareholding requirement until such time as the Company complies with the minimum public shareholding requirements and also restrain the Directors of the Company from holding any new position as a Director in any listed company, until such time the Company complies with minimum public shareholding requirements.</p> <p>The Company has represented to SEBI that it has complied with the minimum public shareholding norms pursuant to the provisions of the Scheme of Arrangement and Amalgamation which was sanctioned by the Hon'ble High Court vide its Order dated 17th April, 2013. The matter is currently pending.</p>	-
Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee	<p>The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and Employees to report in good faith any concerns and grievances on suspected unethical behaviour, improper / illegal practices and wrongful conduct taking place in the Company.</p> <p>The Company hereby affirms that no personnel of the Company has been denied access to the Audit Committee.</p>	<a href="http://www.indiapower.com/pdf/Vigil%20Mechanism%20(Whistle%20Blower%20Policy).pdf">http://www.indiapower.com/pdf/Vigil%20Mechanism%20(Whistle%20Blower%20Policy).pdf</a>
Web link where Policy for determining 'Material' Subsidiaries is disclosed	The Company has a Policy for determining Material Subsidiary in terms of Regulation 16 of the Listing Regulations.	<a href="http://www.indiapower.com/pdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf">http://www.indiapower.com/pdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf</a>
Compliance with all the mandatory requirements and adoption of non-mandatory requirements	<p>The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company as prescribed under the Listing Regulations.</p> <p>Additionally, the Company has complied with the following non-mandatory or discretionary requirements:</p> <ul style="list-style-type: none"> <li>The quarterly, half-yearly and annual financial results of the Company are published in newspapers and regularly hosted on the Company's website.</li> <li>Company's Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2018 are unqualified.</li> <li>The Company has appointed separate persons to the post of Chairman and Managing Director.</li> <li>The Internal Auditors of the Company reports to the Audit Committee and submits Internal Audit Report to the Audit Committee on a quarterly basis.</li> </ul>	-
Non-compliance of any requirement of Corporate Governance Report	There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-para (2) to (10) of para C of Schedule V to the Listing Regulations.	-
Disclosure of Compliance with Corporate Governance requirements	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.	-
Disclosure with respect to demat suspense account/ unclaimed suspense account	Not Applicable	-





Declaration affirming compliance with the Code of Conduct of Board of Directors and Senior Management	<p>In terms of Regulation 17(5) of the Listing Regulations, the Company has a Code of Conduct laid down by the Board for all the Board Members and Senior Management Personnel of the Company. The Company has received confirmations from all the Members of the Board and Senior Management Personnel affirming compliance with the Code of Conduct for the financial year 2017-8.</p> <p>Declaration signed by the Chief Executive Officer stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed to the Report.</p>	<a href="http://www.indiapower.com/pdf/Code%20of%20Conduct%20for%20Board%20and%20Senior%20Management%20Personnel.pdf">http://www.indiapower.com/pdf/Code%20of%20Conduct%20for%20Board%20and%20Senior%20Management%20Personnel.pdf</a>
Compliance Certificate by the Auditors	The Company has obtained a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance which is annexed to the Report.	-

## GENERAL SHAREHOLDER INFORMATION

<b>1. Annual General Meeting</b>	<b>Date and Time</b> - Saturday, 22nd September, 2018 at 11:30 a.m. <b>Venue</b> - Registered Office: Plot No. X – 1, 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata – 700 091															
<b>2. Financial Year</b>	1st April to 31st March <b>Tentative financial reporting for financial year 2018 – 19:</b> <table border="1" data-bbox="446 808 1503 963"> <tr> <td>Quarter ending 30th June, 2018</td> <td>On or before 14th August, 2018</td> </tr> <tr> <td>Quarter/Half year ending 30th September, 2018</td> <td>On or before 14th November, 2018</td> </tr> <tr> <td>Quarter/Nine months ending 31st December, 2018</td> <td>On or before 14th February, 2019</td> </tr> <tr> <td>Year ending 31st March, 2019</td> <td>On or before 30th May, 2019</td> </tr> </table>				Quarter ending 30th June, 2018	On or before 14th August, 2018	Quarter/Half year ending 30th September, 2018	On or before 14th November, 2018	Quarter/Nine months ending 31st December, 2018	On or before 14th February, 2019	Year ending 31st March, 2019	On or before 30th May, 2019				
Quarter ending 30th June, 2018	On or before 14th August, 2018															
Quarter/Half year ending 30th September, 2018	On or before 14th November, 2018															
Quarter/Nine months ending 31st December, 2018	On or before 14th February, 2019															
Year ending 31st March, 2019	On or before 30th May, 2019															
<b>3. Book Closure Date</b>	Monday, 17th September, 2018 to Saturday, 22nd September, 2018 (both days inclusive)															
<b>4. Dividend Payment Date</b>	Dividend will be dispatched on or after Wednesday, 26th September, 2018 (if approved by the Members at the Annual General Meeting).															
<b>5. Listing on Stock Exchanges and Stock Code (Equity Shares)</b>	The Equity Shares of the Company are presently listed on the following Stock Exchanges: <table border="1" data-bbox="446 1129 1503 1460"> <thead> <tr> <th data-bbox="446 1129 742 1232">Name of the Stock Exchanges</th> <th data-bbox="742 1129 981 1232">The Calcutta Stock Exchange Limited (CSE)</th> <th data-bbox="981 1129 1236 1232">National Stock Exchange of India Limited (NSE)</th> <th data-bbox="1236 1129 1503 1232">Metropolitan Stock Exchange of India Limited (MSEI)</th> </tr> </thead> <tbody> <tr> <td data-bbox="446 1232 742 1440"><b>Address</b></td> <td data-bbox="742 1232 981 1440">7, Lyons Range, Kolkata- 700 001</td> <td data-bbox="981 1232 1236 1440">Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051</td> <td data-bbox="1236 1232 1503 1440">Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098</td> </tr> <tr> <td data-bbox="446 1440 742 1460"><b>Stock Code</b></td> <td data-bbox="742 1440 981 1460">10014021</td> <td data-bbox="981 1440 1236 1460">DPSCLTD</td> <td data-bbox="1236 1440 1503 1460">DPSCLTD</td> </tr> </tbody> </table> <p data-bbox="446 1460 1503 1522">The Debt Securities of the Company are listed on the Wholesale Debt Market Segment of National Stock Exchange of India Limited.</p> <p data-bbox="446 1533 1503 1562">Annual Listing Fees for the financial year 2018-19 have been paid to all the Stock Exchanges.</p>				Name of the Stock Exchanges	The Calcutta Stock Exchange Limited (CSE)	National Stock Exchange of India Limited (NSE)	Metropolitan Stock Exchange of India Limited (MSEI)	<b>Address</b>	7, Lyons Range, Kolkata- 700 001	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098	<b>Stock Code</b>	10014021	DPSCLTD	DPSCLTD
Name of the Stock Exchanges	The Calcutta Stock Exchange Limited (CSE)	National Stock Exchange of India Limited (NSE)	Metropolitan Stock Exchange of India Limited (MSEI)													
<b>Address</b>	7, Lyons Range, Kolkata- 700 001	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098													
<b>Stock Code</b>	10014021	DPSCLTD	DPSCLTD													





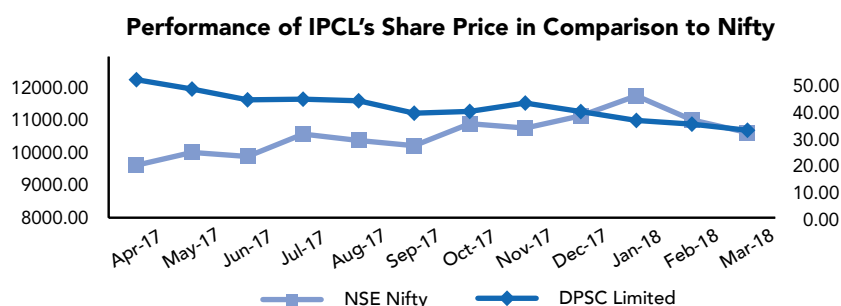
**6. Market Price Data**

The monthly high and low and volume of share traded on NSE during the financial year 2017-18 is summarised below:

Month	National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume of Trade (₹ in Lakhs)
April, 2017	47.55	38.80	1138.20
May, 2017	43.90	37.25	536.06
June, 2017	42.00	36.10	320.10
July, 2017	40.95	33.05	287.11
August, 2017	40.00	30.05	170.95
September, 2017	37.95	31.55	84.74
October, 2017	36.95	31.00	118.13
November, 2017	41.00	32.00	159.98
December, 2017	36.90	29.20	785.80
January, 2018	35.10	29.40	1072.30
February, 2018	31.65	27.60	279.80
March, 2018	29.70	25.20	328.08

**7. Performance in comparison to broad-based indices such as BSE Sensex etc.**

i) Performance of Share Price in comparison to Nifty is presented below:



ii) Percentage change in comparison to broad-based indices – Nifty as on 31st March, 2018:

Particulars	NIFTY	DPSCLTD
1st April, 2017	9220.60	44.75
31st March, 2018	10113.70	27.15
<b>Change (%)</b>	<b>9.69</b>	<b>(39.33)</b>

**8. Registrar & Share Transfer Agent (Equity Shares and Debt Securities)**

C B Management Services (P) Ltd.  
P-22, Bondel Road, Kolkata - 700 019  
Phone: 91 33 4011 6700, 2280 6692/93/94/2486  
Fax: 91 33 2287 0263  
e-mail: rta@cbmsl.com

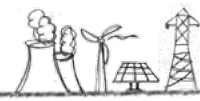
**9. Debenture Trustee**

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

**10. Share Transfer System**

Requests for transfer of Equity Shares held in physical form can be lodged with the Company's Registrar & Share Transfer Agent, C B Management Services (P) Ltd. at the address mentioned above. The transfer requests are processed within 15 days of receipt of such request, subject to the documents being valid and complete in all respects.





11. Shareholding Pattern as on 31st March, 2018	Category		No. of Shares held	Percentage holding (%)
	<b>A. Promoter/Promoter Group</b>			<b>579331667</b>
<b>B. Public</b>				
<b>(1) Institutions</b>				
i)	Bank/Financial Institutions		1196230	0.12
<b>(2) Non - Institutions</b>				
i)	Bodies Corporate		3342349	0.34
ii)	Non - Resident Indians		263612	0.03
iii)	Investor Education and Protection Fund Authority – Ministry of Corporate Affairs		832811	0.09
iv)	Indian Public & Others		388822971	39.93
<b>Sub Total (B)</b>			<b>394457973</b>	<b>40.51</b>
<b>Grand Total (A+B)</b>			<b>973789640</b>	<b>100.00</b>

12. Distribution of Shareholding as on 31st March, 2018	No. of Shares slab		Number of Shares		Number of Shareholders	
	From	To	Total	%	Total	%
1	500		410722	0.04	2667	66.13
501	1000		372370	0.04	427	10.59
1001	2000		471645	0.05	301	7.46
2001	3000		324766	0.03	127	3.15
3001	4000		171867	0.02	47	1.17
4001	5000		401272	0.04	84	2.08
5001	10000		986503	0.10	130	3.22
10001	50000		4145675	0.43	170	4.22
50001	100000		2316715	0.24	32	0.79
100001	And Above		964188105	99.01	48	1.19
<b>TOTAL</b>			<b>973789640</b>	<b>100.00</b>	<b>4033</b>	<b>100.00</b>

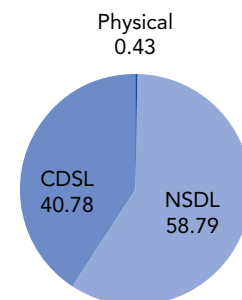
**13. Dematerialisation of Shares and liquidity** Based on a SEBI Directive, the Equity Shares of the Company are permitted to be traded in electronic form and are available for trading in Depository System of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The International Securities Identification Number (ISIN) as allotted to the Equity Shares of the Company by NSDL and CDSL is INE360C01024.

As on 31st March, 2018, a total of 969648286 Equity Shares representing 99.57% of the total Equity Share Capital are held in dematerialised form.

The bifurcation of shares held in Physical and Demat form as on 31st March, 2018 is given below:

Physical/Electronic	No. of Shares	%
Physical	4141354	0.43
NSDL	572535356	58.79
CDSL	397112930	40.78
<b>Total</b>	<b>973789640</b>	<b>100.00</b>



<b>14.</b>	<b>Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversions date and likely impact on equity</b>	Not Applicable
<b>15.</b>	<b>Commodity price risk or foreign exchange risk and hedging activities</b>	Not Applicable
<b>16.</b>	<b>Plant Location</b>	<b>Dishergarh Power Station</b> Sanctoria, P.O.: Dishergarh Burdwan – 713 333 Phone: 0341 6600 452 Fax: 0341 6600 464
<b>17.</b>	<b>Address for Correspondence</b>	The Company Secretary India Power Corporation Limited Plot No. X – 1, 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata – 700 091 Phone: 91 33 6609 4300/08/09/10 Fax: 91 33 2357 2452 E-mail: corporate@indiapower.com

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015

## **DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

To  
The Members of  
India Power Corporation Limited

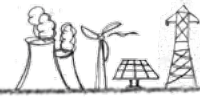
I, Sanjeev Seth, Chief Executive Officer of India Power Corporation Limited, pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, declare to the best of my knowledge and belief, that all the Members of the Board and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of Board Members and Senior Management Personnel for the financial year ended 31st March, 2018.

Place: Kolkata  
Date: 29th May, 2018

**Sanjeev Seth**  
Chief Executive Officer







## CERTIFICATION BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

[Pursuant to Regulation 17(8) read with Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors  
India Power Corporation Limited  
Plot No. X-1, 2 & 3, Block EP  
Sector-V, Salt Lake City  
Kolkata - 700 091

We, Sanjeev Seth, Chief Executive Officer and Sushil Kumar Agarwal, Chief Financial Officer of India Power Corporation Limited, certify to the Board of Directors that -

- A. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended on 31st March, 2018 and that to the best of our knowledge and belief, state that:
- (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) significant changes, if any in internal control over financial reporting during the year;
  - (2) significant changes, if any in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (3) that there have been no instances of significant fraud, of which we have become aware and consequently no involvement therein, of the management or any employee having a significant role in the Company's internal control system over the financial reporting.

Place: Kolkata  
Date: 29th May, 2018

**Sanjeev Seth**  
Chief Executive Officer

**Sushil Kumar Agarwal**  
Chief Financial Officer



## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by India Power Corporation Limited (formerly DPSC Limited) ('the Company'), for the year ended on 31 March 2018, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2018.
8. 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.

### Restriction on use

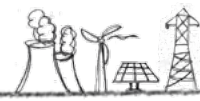
9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For S S Kothari Mehta & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:000756N

Place: New Delhi  
Date: 29 May, 2018

**Neeraj Bansal**  
Partner  
(Membership No: 095960)



**Annexure - VII****FORM NO. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable						
2. Details of material contracts or arrangement or transactions at arm's length basis:						
Name(s) of the related party and nature of relationship	Nature of contracts or arrangements or transactions	Duration of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transactions	Value of the transaction during the financial year 2017 - 18	Date(s) of approval by the Board, if any	Amount paid as advances, if any (as on 31st March, 2018)
IPCL Power Trading Private Limited (Subsidiary)	Purchase of power	27th April, 2017 to 30th April, 2018	IPCL Power Trading Private Limited shall supply power to India Power Corporation Limited, which in turn shall sell the same to Customers across its distribution network	₹ 8,435 Lakhs	Not Applicable	₹ 169.61 Lakhs

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015





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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### 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. With a view to create awareness among consumers and employees, the Company continues to conduct various campaigns for spreading awareness regarding the need for conservation of energy in different parts of its license area.

#### i) Steps taken or impact on conservation of energy:

##### **Distribution:**

1. Identification of high loss feeders and segregation of the feeders to reduce loss.
2. Up gradation of feeders from 11 kV to 33 kV and from 33 kV to 132 kV to reduce loss and improving system reliability.
3. Implementation of Distribution Transformer metering with remote monitoring of all the Distribution Transformers for proper energy accounting.
4. SCADA connectivity up to 11 kV level is on the verge of commissioning for better monitoring of the system. Commissioning of SCADA will help in 11 kV feeder automation.

##### **Power Stations:**

1. Replacement of old 11 kV breakers, relays, meters, etc. with new upgraded system for accurate monitoring as well as for better reliability.
2. Modification of the Bottom Ash Disposal system for better handling & cost reduction.

#### ii) Steps taken by the Company for utilising alternate sources of energy:

The Company had 89% of capacity (in MW terms) through clean and green sources (Wind and Solar) as on 31st March, 2018.

#### iii) Capital investment on energy conservation equipments:

It is a continuation process. After installation of equipments, monitoring of power compensation is under observation and necessary modification is being taken to get the maximum benefits.

### 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:

- a) 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;
- b) IT support for energy accounting system to conduct energy audits;

#### ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- a) Cost reduction
- b) Implementation of new technologies
- c) Better availability, reliability and safety
- d) Conservation of Energy

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

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

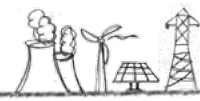
Foreign Exchange earned in terms of actual inflows	:	Nil
Foreign Exchange outgo in terms of actual outflows	:	₹ 46.68 Lakhs

For and on behalf of the Board of Directors

**Hemant Kanoria**  
Chairman  
DIN: 00193015

Place: Kolkata  
Date: 29th May, 2018





## Annexure - IX

**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 2017 - 18**

- i) **The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017 - 18: (Refer Note 1)**

Name of Director	Designation	Ratio
Mr. Raghav Raj Kanoria	Managing Director	31.77:1
Mr. Asok Kumar Goswami	Whole - time Director	7.63:1
Mr. Hemant Kanoria		0.25:1
Mr. Jyoti Kumar Poddar	Non - Executive Director	1.96:1
Mr. Sunil Kanoria		0.25:1
Mr. Amit Kiran Deb		1.96:1
Mr. Debi Prasad Patra		1.96:1
Ms. Dipali Khanna		1.96:1
Mr. Nand Gopal Khaitan	Independent Director	1.96:1
Mr. S. Sundareshan		1.96:1
Mr. Tantra Narayan Thakur		1.96:1

- ii) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2017 - 18: (Refer Notes 1, 2 & 3)**

Name of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	Designation	% increase in remuneration in the financial year 2017-18
Mr. Raghav Raj Kanoria	Managing Director	Not Applicable
Mr. Asok Kumar Goswami	Whole - time Director	Nil
Mr. Hemant Kanoria		Nil
Mr. Jyoti Kumar Poddar	Non - Executive Director	33.33
Mr. Sunil Kanoria		Nil
Mr. Amit Kiran Deb		33.33
Mr. Debi Prasad Patra		33.33
Ms. Dipali Khanna		33.33
Mr. Nand Gopal Khaitan	Independent Director	33.33
Mr. S. Sundareshan		33.33
Mr. Tantra Narayan Thakur		33.33
Mr. Shrirang Bhalchandra Karandikar	Chief Executive Officer	Not Applicable
Mr. Sanjeev Seth	Chief Executive Officer	Not Applicable
Mr. Sushil Kumar Agarwal	Chief Financial Officer	Not Applicable
Mr. Prashant Kapoor	Company Secretary	20.00



**iii) The percentage increase in the median remuneration of employees in the financial year 2017 - 18: (Refer Note 4)**

The percentage increase in the median remuneration of the employees in the financial year 2017 – 18 is 4.78%.

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

There were 536 employees on the rolls of the Company as on 31st March, 2018.

**v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2017-18 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	6.98
Average increase in the remuneration of managerial personnel	28.45
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 2017-18 is as per the Nomination & Remuneration Policy of the Company.**

**Notes:**

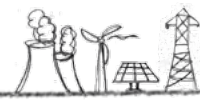
- The Remuneration paid to the Non-Executive Directors including Independent Directors reflects the Commission paid to them during the financial year 2017-18 pertaining to the financial year 2016-17, as per the approval of the Members granted at the 94th Annual General Meeting of the Company held on 13th September, 2014 and as determined by the Board of Directors at their Meeting held on 29th May, 2017. The Remuneration does not include sitting fees paid to the Directors for attending the Meetings of the Board of Directors and Committees thereof.
- Mr. Raghav Raj Kanoria was appointed as the Managing Director of the Company w.e.f. 1st June, 2017, hence percentage increase in his remuneration in the financial year 2017-18 vis-a-vis financial year 2016-17 has not been provided.
- Mr. Shrirang Bhalchandra Karandikar, Chief Executive Officer of the Company, superannuated from the services of the Company w.e.f. the close of business hours on 31st August, 2017 and Mr. Sanjeev Seth was appointed as the Chief Executive Officer w.e.f. 1st September, 2017. Hence the percentage increase in their remuneration in the financial year 2017-18 has not been provided. Mr. Sushil Kumar Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. 6th December, 2016 and therefore, percentage increase in his remuneration in the financial year 2017-18 vis-a-vis financial year 2016-17 has also not been provided.
- For both the financial years 2016-17 and 2017-18, 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 of the Company, if any. While calculating the Median remuneration, the remuneration of the Managing Director and Whole-time Director has been included.
- Permanent employees on roll do not include Badli Workers, Retainers, Advisors, Trainees and Contractual persons.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015





**STATEMENT CONTAINING PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2017 - 18**

Name of the Employee	Designation	Remuneration (₹)	Qualification(s)	Experience (in years)	Date of commencement of employment	Age (in years)	Particulars of last employment held
<b>Names of the top ten employees in terms of remuneration drawn</b>							
<b>Raghav Raj Kanoria*</b>	Managing Director	1,23,76,540	B.Com (Hons)	6	01 June 2017	27	India Power Corporation (Bodhgaya) Limited, Whole-time Director
<b>Sushil Kumar Agarwal</b>	Chief Financial Officer	1,16,63,948	CA, PGDM	26	30 September 2016	49	M B Power (Madhya Pradesh) Limited, CFO & Sr. VP - Finance & Accounts
<b>Sanjeev Seth**</b>	Chief Executive Officer	76,98,170	3+CTP Sr. Management Residential Programme, B.E - Electrical	29	10 August 2016	53	Reliance Infrastructures - BSES - Sr. VP & Head Business
<b>Prabhajit Kumar Sarkar</b>	Sr. Vice President - Strategic Business Initiative	58,15,611	PGDM, B.E	14	12 March 2012	39	Power Exchange India Limited, VP - Business Development
<b>Argha Ghosh</b>	Vice President - Internal Audit	45,78,433	CISA, CA, ICWA, B.Com (Hons)	22	04 April 2013	52	GMR Group, AVP, Management Assurance Group
<b>Somesh Dasgupta</b>	President	45,69,242	TQM Cert., MIE, PGDM (HRD), B.E. - Mech	32	15 November 1985	58	NA
<b>Santanu Roy</b>	Vice President - Legal	42,89,760	LLB Hons, LLM Commercial Law	13	04 April 2016	39	Kalptaru Power Transmission Limited - Sr. Legal Counsel
<b>Prashant Kapoor</b>	Vice President - Company Secretary	41,13,109	CS, B.Com (Hons)	20	23 July 2015	46	BMA Wealth Creators Limited - Sr. Vice President & Company Secretary
<b>Amit Poddar</b>	Vice President - Finance & Accounts	40,60,958	CA, B.Com (Hons)	17	29 February 2012	41	Tata Teleservices Limited, Senior Manager
<b>Harminder Mohan Bareja*</b>	Vice President - Human Resource	39,60,071	Leadership Management, Post MBA, MBA, LLB, B.Com (Hons)	20	12 June 2017	46	Reliance Infrastructures - Head HR





Name of the Employee	Designation	Remuneration (₹)	Qualification(s)	Experience (in years)	Date of commencement of employment	Age (in years)	Particulars of last employment held
<b>Name of the employee of the Company employed throughout the financial year 2017 - 18 and was in receipt of remuneration aggregating to not less than ₹ 1.02 Crores per annum</b>							
<b>Sushil Kumar Agarwal</b>	Chief Financial Officer	1,16,63,948	CA, PGDM	26	30 September 2016	49	M B Power (Madhya Pradesh) Limited, CFO & Sr. VP - Finance & Accounts
<b>Name of the employee of the Company employed for a part of the financial year 2017 - 18 and was in receipt of remuneration aggregating to not less than ₹ 8.50 lakhs per month</b>							
<b>Raghav Raj Kanoria</b>	Managing Director	1,23,76,540	B.COM (Hons)	6	01 June 2017	27	India Power Corporation (Bodhgaya) Limited, Whole-time Director

\* Employed for a part of the financial year 2017 - 18

\*\* Mr. Sanjeev Seth was appointed as Chief Executive Officer w.e.f. 1st September, 2017. Prior to the appointment, Mr. Sanjeev Seth was the President - Transmission & Distribution of the Company

**Notes:**

- (1) Remuneration includes Basic Salary, House Rent Allowance, Medical Allowance, Special Allowance, One Time Payment, Conveyance Hiring Charges, Fixed Performance Incentive, Ex-gratia, Leave Travel Allowance, Provident Fund, Gratuity, Incentives and other Perquisites.
- (2) The nature of employment is permanent in all the above cases.
- (3) None of the employees, as stated above, is a relative of any Director of the Company, except Mr. Raghav Raj Kanoria (Managing Director) who is son of Mr. Hemant Kanoria (Non-Executive Director & Chairman).
- (4) None of the employees, as stated above, hold more than 2% of the equity shares of the Company, along with their spouse and dependent children.
- (5) Other disclosures in terms of Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was not applicable to the Company for the financial year 2017 - 18.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015





**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2018**

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

**I - REGISTRATION AND OTHER DETAILS**

i)	CIN	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 No. X-1, 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata – 700 091 Phone: 91 33 6609 4300/08/09/10 Fax: 91 33 2357 2452 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) Ltd. P-22, Bondel Road, Kolkata- 700 019 Phone: 91 33 4011 6700, 2280 6692/93/94/2486 Fax: 91 33 2287 0263 e-mail: 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	100

\* 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	53.00	2(46)
2	India Power Corporation (Bodhgaya) Limited  Plot X1,2&3, Block-EP, Sector-V, Salt Lake, Kolkata -700091	U40109WB2013PLC197173	Subsidiary	100.00	2(87)(ii)
3	India Power Green Utility Private Limited [IPGUPL]  Plot X1-2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091	U40300WB2015PTC209048	Subsidiary	100.00	2(87)(ii)
4	IPCL Pte Limited  30 Cecil Street, #19-08, Prudential Tower, Singapore - 049712	Not Applicable	Foreign Subsidiary	100.00	2(87)(ii)
5	IPCL Power Trading Private Limited  Plot X-1,2 & 3, Block-EP Sector-V Salt Lake, Kolkata -700091	U40109WB2011PTC157205	Subsidiary	99.81	2(87)(ii)



Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6	Meenakshi Energy Limited 405, Saptagiri Towers, 1-10-75/1/1 to 6, Begumpet Secunderabad, Hyderabad-500016	U40101TG1996PLC054239	Subsidiary	95.19	2(87)(ii)
7	India Uniper Power Services Private Limited Plot X1-2 & 3, Block-EP Sector-V Salt Lake City, Kolkata-700091	U74999WB2016PTC216929	Subsidiary	50.00	2(87)(i)
8	Matsya Shipping & Ports Private Limited Plot X1-2&3, Block-EP, Sector-V, Salt Lake City, Kolkata-700091	U61200WB2016PTC209859	Associate (Joint Venture)	50.00	2(6)
9	PL Sunrays Power Limited Punj Lloyd House, 17-18, Nehru Place, New Delhi-110019	U40106DL2015PLC287432	Subsidiary	49% held by IPGUPL	2(87)(i)
10	PL Solar Renewable Limited Punj Lloyd House, 17-18, Nehru Place, New Delhi-110019	U40300DL2015PLC287804	Subsidiary	49% held by IPGUPL	2(87)(i)
11	PL Surya Vidyut Limited Punj Lloyd House, 17-18, Nehru Place, New Delhi-110019	U40300DL2015PLC287282	Subsidiary	49% held by IPGUPL	2(87)(i)

\* India Power Corporation Limited (CIN: U40101WB2003PLC097340) (hereinafter referred to as "erstwhile IPCL") has merged with DPSC Limited (now known as India Power Corporation Limited) on and from 24th May, 2013 pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court at Calcutta vide its Order dated 17th April, 2013. However, erstwhile IPCL continues to hold shares in the Company as certain formalities in respect of allotment of shares to the shareholders of erstwhile IPCL pursuant to Scheme and cancellation of the shares held by erstwhile IPCL is pending with the Stock Exchanges.

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

##### i) Category - wise Shareholding

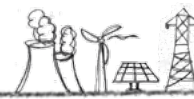
Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

##### A. Promoters

###### (1) Indian

a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	579331667	-	579331667	59.49	579331667	-	579331667	59.49	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A)(1)</b>	<b>579331667</b>	<b>-</b>	<b>579331667</b>	<b>59.49</b>	<b>579331667</b>	<b>-</b>	<b>579331667</b>	<b>59.49</b>	<b>-</b>





<b>(2) Foreign</b>										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>579331667</b>	<b>-</b>	<b>579331667</b>	<b>59.49</b>	<b>579331667</b>	<b>-</b>	<b>579331667</b>	<b>59.49</b>	<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	143750	1052480	1196230	0.12	143750	1052480	1196230	0.12	-	-
c) Central Government	-	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>143750</b>	<b>1052480</b>	<b>1196230</b>	<b>0.12</b>	<b>143750</b>	<b>1052480</b>	<b>1196230</b>	<b>0.12</b>	<b>-</b>	<b>-</b>
<b>(2) Non-Institutions</b>										
a) Bodies Corporate	3278286	4600	3282886	0.34	3337749	4600	3342349	0.34	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6181408	1645365	7826773	0.80	8225964	321117	8547081	0.88	0.08	-
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	379537509	2346690	381884199	39.21	377415824	2763157	380178981	39.04	(0.17)	-
c) Others (specify)										
i) NRIs	155251	-	155251	0.02	263612	-	263612	0.03	0.01	-
ii) PSU	34500	-	34500	0.01	34500	-	34500	0.01	-	-
iii) Clearing Members/ Clearing Corporations	78134	-	78134	0.01	62409	-	62409	0.01	-	-
iv) Investor Education and Protection Fund Authority–Ministry of Corporate Affairs	-	-	-	-	832811	-	832811	0.09	0.09	-
<b>Sub-total (B)(2)</b>	<b>389265088</b>	<b>3996655</b>	<b>393261743</b>	<b>40.39</b>	<b>390172869</b>	<b>3088874</b>	<b>393261743</b>	<b>40.39</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding(B)= (B)(1)+(B)(2)</b>	<b>389408838</b>	<b>5049135</b>	<b>394457973</b>	<b>40.51</b>	<b>390316619</b>	<b>4141354</b>	<b>394457973</b>	<b>40.51</b>	<b>-</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	<b>968740505</b>	<b>5049135</b>	<b>973789640</b>	<b>100.00</b>	<b>969648286</b>	<b>4141354</b>	<b>973789640</b>	<b>100.00</b>	<b>-</b>	<b>-</b>





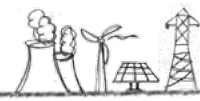
**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	<b>India Power Corporation Limited [erstwhile]</b>	516132374	53.00	40.00	516132374	53.00	40.00	-
2	<b>Aksara Commercial Private Limited</b>	63199293	6.49	-	63199293	6.49	-	-
<b>Total</b>		<b>579331667</b>	<b>59.49</b>	<b>40.00</b>	<b>579331667</b>	<b>59.49</b>	<b>40.00</b>	-

**iii) Change in Promoters' Shareholding**

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>India Power Corporation Limited [erstwhile]</b>				
	At the beginning of the year	<b>516132374</b>	<b>53.00</b>		
	Date-wise increase/decrease in Promoters' Shareholding during the year specifying the reasons for increase/decrease			No change during the year	
	At the end of the year			<b>516132374</b>	<b>53.00</b>
<b>2</b>	<b>Aksara Commercial Private Limited</b>				
	At the beginning of the year	<b>63199293</b>	<b>6.49</b>		
	Date-wise increase/decrease in Promoters' Shareholding during the year specifying the reasons for increase/decrease			No change during the year	
	At the end of the year			<b>63199293</b>	<b>6.49</b>





**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date-wise increase/decrease in shareholding during the year			Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the Company	Date	Reason	No. of Shares	No. of Shares	% of total shares of the Company
1	Dipak Rudra (Trustee of Power Trust)	326316563	33.51	14/04/2017	Sale	162352	326154211	33.49
				5/5/2017	Sale	773051	325381160	33.41
				29/12/2017	Sale	950660	324430500	33.32
				2/2/2018	Sale	365492	324065008	33.28
				23/02/2018	Sale	11611	<b>324053397</b>	<b>33.28</b>
2	Chandana Poddar	42827150	4.40	No change during the year			<b>42827150</b>	<b>4.40</b>
3	Aum Capital Market Private Limited	3500729	0.36	7/4/2017	Sale	10000	3490729	0.36
				12/5/2017	Sale	1000000	2490729	0.26
				19/05/2017	Buy	1050000	3540729	0.36
				16/06/2017	Buy	50000	3590729	0.37
				8/9/2017	Buy	40000	3630729	0.37
				15/09/2017	Buy	30000	3660729	0.38
				22/09/2017	Buy	15000	3675729	0.38
				20/10/2017	Buy	25000	3700729	0.38
				27/10/2017	Buy	10000	3710729	0.38
				16/02/2018	Sale	50000	3660729	0.38
31/03/2018	Buy	50000	<b>3710729</b>	<b>0.38</b>				
4	Jagdish Prasad Agarwala	2000000	0.21	No change during the year			<b>2000000</b>	<b>0.21</b>
5	Vandana Bhargawa	1600000	0.16	No change during the year			<b>1600000</b>	<b>0.16</b>
6	Infosoft Global Private Limited	1000000	0.10	7/4/2017	Sale	160025	839975	0.09
				14/04/2017	Sale	55551	784424	0.08
				28/04/2017	Sale	284424	<b>500000</b>	<b>0.05</b>
7	Bank of India	766130	0.08	No change during the year			<b>766130</b>	<b>0.08</b>
8	Ashok Kumar Bhargava*	116628	0.01	19/05/2017	Sale	96628	20000	0.00
				2/6/2017	Buy	45915	65915	0.01
				1/9/2017	Buy	65906	131821	0.01
				6/10/2017	Buy	21198	153019	0.02
				20/10/2017	Buy	16981	170000	0.02
				31/10/2017	Buy	30000	200000	0.02
				16/02/2018	Buy	339374	539374	0.06
30/03/2018	Sale	11891	<b>527483</b>	<b>0.05</b>				
9	Manju Jain	414000	0.04	No change during the year			<b>414000</b>	<b>0.04</b>
10	Rekha R Vora	391000	0.04	No change during the year			<b>391000</b>	<b>0.04</b>
11	Rachel David**	381570	0.04	No change during the year			<b>381570</b>	<b>0.04</b>

\* Not in the list of top 10 Shareholders as on 01st April, 2017. The same has been reflected above since the Shareholder was one of the top 10 shareholders as on 31st March, 2018.

\*\* 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 (as on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company

At the beginning of the year

Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease

None of the Directors held shares in the Company during the financial year 2017 - 18

At the end of the year

Sl. No.	Shareholding for each Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company

At the beginning of the year

Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease

None of the Key Managerial Personnel held shares in the Company during the financial year 2017 - 18

At the end of the year

**V INDEBTEDNESS**
**INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT:**

(₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	58,855.28	-	-	58,855.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	479.95	-	-	479.95
<b>Total (i+ii+iii)</b>	<b>59,335.23</b>	-	-	<b>59,335.23</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	693.67	10,000.10	-	10,693.77
Reduction	4,918.84	-	-	4,918.84
<b>Net Change</b>	<b>(4,225.17)</b>	<b>10,000.10</b>	-	<b>5,774.93</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	54,630.11	10,000.10	-	64,630.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	414.20	-	-	414.20
<b>Total (i+ii+iii)</b>	<b>55,044.31</b>	<b>10,000.10</b>	-	<b>65,044.41</b>





## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Raghav Raj Kanoria	Mr. Asok Kumar Goswami	Total Amount
		Managing Director*	Whole-time Director	
1	Gross Salary	112.00	29.49	<b>141.49</b>
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of 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]	8.40	1.01	<b>9.41</b>
<b>Total (A)</b>		<b>120.40</b>	<b>30.50</b>	<b>150.90</b>
<b>Ceiling as per the Act</b>			<b>10% of the net profit of the Company</b>	

\*Appointed w.e.f. from 1st June, 2017

### B. REMUNERATION TO THE OTHER DIRECTORS

(₹ in Lakhs)

1. Independent Directors									
Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount	
		Mr. Amit Kiran Deb	Mr. Debi Prasad Patra	Mr. Nand Gopal Khaitan	Mr. Tantra Narayan Thakur	Mr. S Sundareshan	Ms. Dipali Khanna		
1	Fee for attending Board/Committee Meetings <sup>1</sup>	1.90	1.90	1.60	0.95	1.40	1.00	<b>8.75</b>	
2	Commission <sup>2</sup>	8.00	8.00	8.00	8.00	8.00	8.00	<b>48.00</b>	
3	Others, please specify	-	-	-	-	-	-	-	
<b>Total B (1)</b>		<b>9.90</b>	<b>9.90</b>	<b>9.60</b>	<b>8.95</b>	<b>9.40</b>	<b>9.00</b>	<b>56.75</b>	
2. Other Non - Executive Directors									
Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount				
		Mr. Hemant Kanoria	Mr. Sunil Kanoria	Mr. Jyoti Kumar Poddar					
1	Fee for attending Board/Committee Meetings <sup>1</sup>	2.45	0.65	2.65	<b>5.75</b>				
2	Commission <sup>2</sup>	1.00	1.00	8.00	<b>10.00</b>				
3	Others, please specify	-	-	-	-				
<b>Total B (2)</b>		<b>3.45</b>	<b>1.65</b>	<b>10.65</b>	<b>15.75</b>				
<b>Total (B)= B(1)+ B(2)</b>					<b>72.50</b>				
<b>Total Managerial Remuneration [A+B]</b>					<b>223.40</b>				
<b>Overall ceiling as per the Act</b>					<b>11% of the Net Profit of the Company</b>				

<sup>1</sup> Fees for attending Board/Committee Meetings and Commission paid to the Non-Executive Directors excludes Service Tax

<sup>2</sup> Reflects the Commission paid to the Non-Executive Directors pertaining to the financial year 2016-17 excluding Service tax





**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Chief Executive Officer		Chief Financial Officer	Company Secretary	
		Mr. Shrirang B Karandikar*	Mr. Sanjeev Seth**	Mr. Sushil Kumar Agarwal	Mr. Prashant Kapoor	
1	Gross Salary	28.76	41.63	103.32	33.06	<b>206.77</b>
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) of 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]	1.15	1.93	3.08	1.48	<b>7.64</b>
<b>Total</b>		<b>29.91</b>	<b>43.56</b>	<b>106.4</b>	<b>34.54</b>	<b>214.41</b>

\*Superannuated from the services of the Company w.e.f. close of business hours on 31st August, 2017

\*\*Appointed w.e.f. from 1st September, 2017

**VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

There were no penalties/punishments/compounding of offence under any sections of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year ended 31st March, 2018.

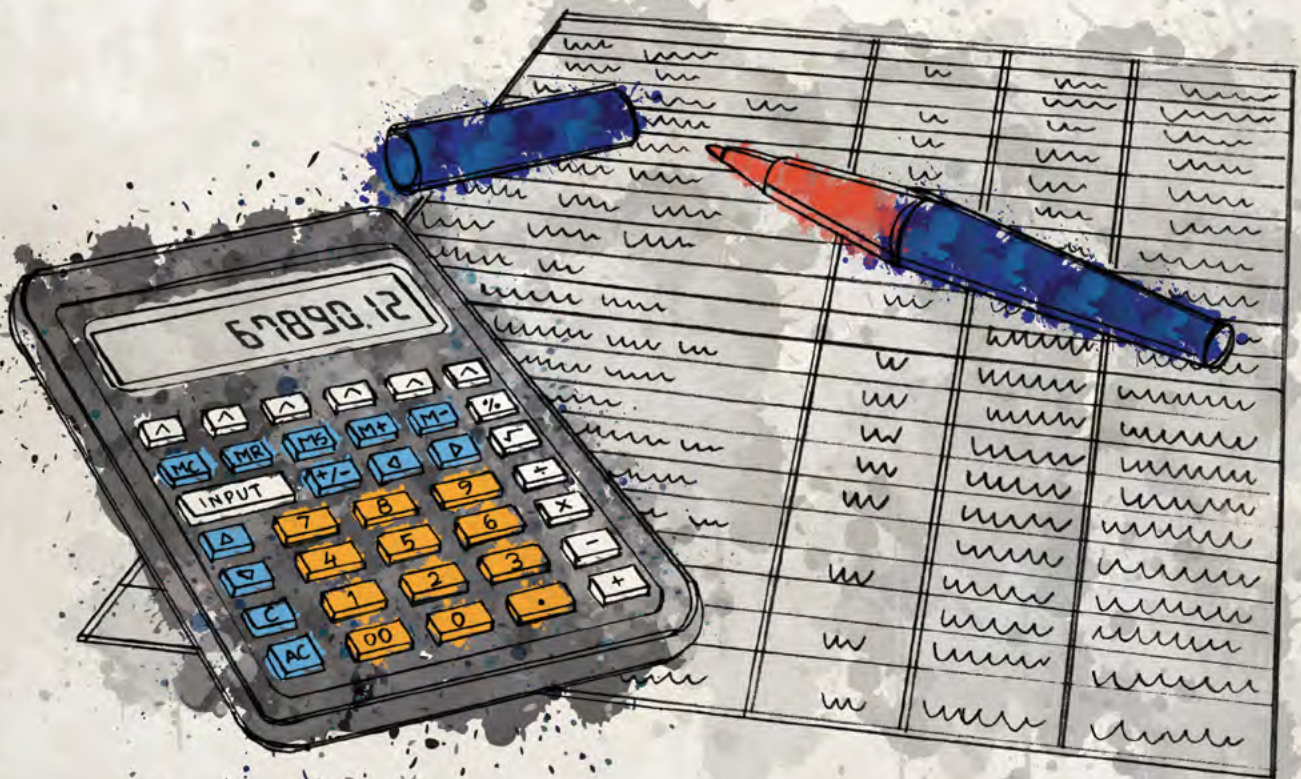
**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 29th May, 2018

**Hemant Kanoria**  
Chairman  
DIN: 00193015



# Financial Statements



# INDEPENDENT AUDITOR'S 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 comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements.")

## 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 state of affairs (financial position), profit and loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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 standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone 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 of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of the material misstatement of the standalone 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 standalone 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 accounting policies used and reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone 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, including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

Attention is invited to Note No. 9.2 of the standalone financial statements regarding the beneficial interest in Power Trust amounting to ₹ 81,871.84 Lakhs considered as financial asset. In absence of required details, the trust being an independent entity, value of the said asset (beneficial interest) as considered has been taken based on the report of an independent firm of chartered accountant appointed by the Power Trust, and the same has been relied upon for the purpose of these accounts and our opinion thereupon.

Our opinion is not modified in respect of the said matter.

## OTHER MATTER

The comparative financial information of the Company for the year ended March 31, 2017, included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with relevant Act and rules thereunder, audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 29, 2017 expressed an unmodified opinion on those financial statements.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and according to the information and explanations given to us and also on the basis of such checks





## INDEPENDENT AUDITOR'S REPORT

as we considered appropriate, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. 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 standalone financial statements as required in terms of the accounting standards and provisions of the Companies Act, 2013: (Refer Note 42(a) of the standalone financial statements)
  - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner

Place: New Delhi  
Date: 29th May 2018

Membership No. 095960





## ANNEXURE – “A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED)

Report on the matters specified in paragraph 3 of the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1 of ‘Report on Other Legal and Regulatory Requirements’ section

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period of 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;
- (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. Lease deed has been taken as the basis for verification in respect of leasehold land as well as self-constructed building thereupon.

### Building

Total number of cases	Gross Block as at 31.03.2018 (₹ in lakhs)	Net Block as at 31.03.2018 (₹ in lakhs)	Remarks
12 (TWELVE) CASES	166.67	146.92	These building have been constructed on land owned by others (Refer note 5.1 of the standalone 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 such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees or securities, wherever transacted and applicable.
- (v) The Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.
- (vi) We have broadly reviewed the books of accounts 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, however, have not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us and the records of the Company examined by us, the dues outstanding in respect of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax and cess as at 31 March 2018 on account of disputes are as follows:

Name of Statute	Nature of Dues	Amount (₹. In lakhs.)	Forum where dispute is pending	Period to which the amount relates
West Bengal Sales Tax Act, 1994	Sales tax and Purchase tax	2.23	West Bengal Commercial Taxes Appellate and Revisional Board	F.Y. 2004-05
Finance Act, 1994 (Read with Service Tax rules 1994)	Service tax	21.49	Commissioner of service tax (Appeals)	FY 2008-2009 to F.Y. 2012-2013





## ANNEXURE – “A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED)

- (viii) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
- (ix) No money has been raised by way of initial public offer or further public offer (including debt instruments). Further, the term loans raised by the Company during the year were applied for the purpose for which they were obtained.
- (x) To the best of our knowledge and according to information and explanations given to us no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, and on the basis of our examination of the records, the Company has transacted with the related parties which are in compliance with sections 177 and 188 of Act and the details have been disclosed in the financial statements – Refer Note 45 to the standalone financial statements.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with the directors and therefore provisions section 192 of Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

Place: New Delhi  
Date: 29th May 2018

**Neeraj Bansal**  
Partner  
Membership No. 095960



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **India Power Corporation Limited (Formerly DPSC Limited)** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management 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". 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the

risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) 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
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

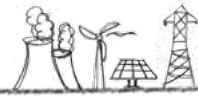
### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### OPINION

In our opinion, 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, 2018, 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".

For **S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

Place: New Delhi  
Date: 29th May 2018

**Neeraj Bansal**  
Partner  
Membership No. 095960





# BALANCE SHEET

as at 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	5	33,966.59	34,219.54
(b) Capital work in progress		3,818.14	1,507.30
(c) Intangible assets	6	151.08	94.26
(d) Financial assets			
(i) Investments	7.1	11,573.11	32,249.14
(ii) Loans	8	1,241.33	804.09
(iii) Other financial assets	9	82,151.68	82,153.95
(e) Other non - current assets	10	5,677.44	5,113.55
<b>Total Non-current assets</b>		<b>138,579.37</b>	<b>156,141.83</b>
<b>Current assets</b>			
(a) Inventories	11	935.58	979.03
(b) Financial assets			
(i) Investments	7.2	30.00	-
(ii) Trade receivables	12	5,585.34	5,952.48
(iii) Cash and cash equivalents	13	967.76	782.82
(iv) Other bank balances	14	1,563.28	6,356.61
(v) Loans	15	4,906.90	6,969.90
(vi) Other financial assets	16	52,381.00	21,879.60
(c) Other current assets	17	902.01	539.09
<b>Total Current assets</b>		<b>67,271.87</b>	<b>43,459.53</b>
<b>Regulatory deferral account debit balances</b>	18 (a)	<b>9,958.46</b>	<b>7,874.94</b>
<b>Total Assets</b>		<b>215,809.70</b>	<b>207,476.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	19	9,737.90	9,737.90
(b) Other equity	20	98,339.78	96,208.00
(c) Share capital suspense account	4.1	6,041.43	6,041.43
<b>Total Equity</b>		<b>114,119.11</b>	<b>111,987.33</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	39,242.40	43,458.70
(ii) Trade payables	22	3,608.54	3,219.33
(iii) Other financial liabilities	23	6,114.18	5,786.49
(b) Provisions	24	359.53	247.62
(c) Deferred tax liabilities (net)	25	4,839.71	4,771.07
(d) Other non - current liabilities	26	1,284.55	3,408.84
<b>Total Non-current Liabilities</b>		<b>55,448.91</b>	<b>60,892.05</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	20,154.75	11,329.29
(ii) Trade payables	28	4,259.92	7,169.09
(iii) Other financial liabilities	29	9,662.04	7,210.40
(b) Other current liabilities	30	2,842.42	2,582.94
(c) Provisions	31	1,459.39	1,314.09
(d) Current tax liabilities (Net)		2,849.08	1,913.54
<b>Total Current Liabilities</b>		<b>41,227.60</b>	<b>31,519.35</b>
<b>Regulatory deferral account credit balances</b>	18 (b)	<b>5,014.08</b>	<b>3,077.57</b>
<b>Total Equity and Liabilities</b>		<b>215,809.70</b>	<b>207,476.30</b>

Significant Accounting Policies and other accompanying notes (1-53) are an integral part of the financial statements.

 As per our report on even date  
 For **S.S. Kothari Mehta & Co**  
 Chartered Accountants  
 Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
 Partner  
 Membership No. 095960

**Raghav Raj Kanoria**  
 Managing Director  
 (DIN:07296482)

**A.K. Goswami**  
 Whole Time Director  
 (DIN:03331661)

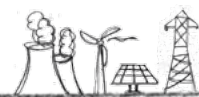
**Amit Kiran Deb**  
 Director  
 (DIN:02107792)

 Place: Kolkata/New Delhi  
 Date: 29th May, 2018

**Sushil Kr. Agarwal**  
 Chief Financial Officer

**Prashant Kapoor**  
 Company Secretary

**Sanjeev Seth**  
 Chief Executive Officer


**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>INCOME</b>			
Revenue from operations	32	48,111.35	45,020.97
Other income	33	2,362.89	1,914.97
<b>Total Income</b>		<b>50,474.24</b>	<b>46,935.94</b>
<b>EXPENSES</b>			
Cost of material consumed - coal consumption		1,676.50	1,189.49
Energy purchase	34	25,209.13	23,280.34
Lease rent	35	4,388.96	4,767.43
Employee benefits expense	36	5,260.24	3,835.54
Finance costs	37	7,759.78	5,840.34
Depreciation and amortisation expense	38	1,680.13	1,784.67
Other expenses	39	2,639.72	2,430.20
<b>Total Expenses</b>		<b>48,614.46</b>	<b>43,128.01</b>
<b>Profit before exceptional items, rate regulated activities and tax</b>		<b>1,859.78</b>	<b>3,807.93</b>
Regulatory income/(expense) (net)	18 (c)	1,603.35	(2,357.16)
<b>Profit before exceptional items and tax</b>		<b>3,463.13</b>	<b>1,450.77</b>
Exceptional Items	40	-	4,673.56
<b>Profit before tax</b>		<b>3,463.13</b>	<b>6,124.33</b>
<b>Tax expense:</b>	41		
Current tax		1,258.00	1,645.63
Deferred tax		70.69	566.66
<b>Profit for the year</b>		<b>2,134.44</b>	<b>3,912.04</b>
<b>Other Comprehensive Income</b>			
i) Items that will not be reclassified to Profit & Loss			
(a) Beneficial Interest in Power Trust and equity instruments through other comprehensive income		0.21	(43.27)
(b) Remeasurement gains/(losses) on defined benefit plans		(185.60)	(93.48)
ii) Income tax on items that will not be reclassified to Profit & Loss		64.85	32.35
<b>Total Comprehensive Income for the year</b>		<b>2,013.90</b>	<b>3,807.64</b>
Earnings per equity share:	46		
Basic and Diluted including Regulatory income/(expense) (₹)		0.14	0.25
Basic and Diluted excluding Regulatory income/(expense) (₹)		0.07	0.35

Significant Accounting Policies and other accompanying notes (1-53) are an integral part of the financial statements.

As per our report on even date  
For **S.S. Kothari Mehta & Co**  
Chartered Accountants  
Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
Partner  
Membership No. 095960

**Raghav Raj Kanoria**  
Managing Director  
(DIN:07296482)

**A.K. Goswami**  
Whole Time Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

Place: Kolkata/New Delhi  
Date: 29th May, 2018

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**Sanjeev Seth**  
Chief Executive Officer



# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2018

## A. Equity share capital and Share capital suspense account

Particulars	(₹ in lakhs)	
	Share capital	Share capital suspense account
<b>Balance as on April 1, 2016</b>	<b>9,737.90</b>	<b>6,041.43</b>
Changes in equity share capital during the year 2016-17	-	-
<b>Balance as on March 31, 2017</b>	<b>9,737.90</b>	<b>6,041.43</b>
Changes in equity share capital during the year 2017-18	-	-
<b>Balance as on March 31, 2018</b>	<b>9,737.90</b>	<b>6,041.43</b>

## B. Other Equity

Particulars	Reserve and Surplus					Items of Other Comprehensive Income			Total	
	Capital Reserve		Debt redemption reserve	General Reserve	Reserve for unforeseen exigencies fund	Reserve for unforeseen exigencies interest fund	Retained earnings	Re-measurement of the net defined benefit plans		Beneficial Interest in Power Trust and equity instrument through Other comprehensive income
	Contribution from consumers towards service lines	Other capital reserve								
<b>Balance as on April 1, 2016</b>	<b>1,762.56</b>	<b>82.47</b>	<b>2,000.00</b>	<b>77,403.62</b>	<b>418.39</b>	<b>174.90</b>	<b>10,735.44</b>	<b>(458.16)</b>	<b>125.63</b>	<b>92,244.85</b>
Profit for the year	-	-	-	-	-	-	3,912.04	-	-	3,912.04
Capital contribution received during the year	341.20	-	-	-	-	-	-	-	-	341.20
Dividend payments including dividend distribution tax	-	-	-	-	-	-	(185.69)	-	-	(185.69)
Transfer to/(from) retained earnings	-	-	350.00	-	98.56	49.18	(497.74)	-	-	-
Re-measurements of equity instruments	-	-	-	-	-	-	-	-	(43.27)	(43.27)
Re-measurements of the net defined benefit plans (net)	-	-	-	-	-	-	-	(61.13)	-	(61.13)
<b>Balance as on March 31, 2017</b>	<b>2,103.76</b>	<b>82.47</b>	<b>2,350.00</b>	<b>77,403.62</b>	<b>516.95</b>	<b>224.08</b>	<b>13,964.05</b>	<b>(519.29)</b>	<b>82.36</b>	<b>96,208.00</b>
Profit for the year	-	-	-	-	-	-	2,134.44	-	-	2,134.44
Capital contribution received during the year	393.85	-	-	-	-	-	-	-	-	393.85
Dividend payments including dividend distribution tax	-	-	-	-	-	-	(275.97)	-	-	(275.97)
Transfer to/(from) retained earnings	-	-	-	-	100.30	58.89	(159.19)	-	-	-
Re-measurements of equity instruments	-	-	-	-	-	-	-	-	0.21	0.21
Re-measurements of the net defined benefit plans (net)	-	-	-	-	-	-	-	(120.75)	-	(120.75)
<b>Balance as on March 31, 2018</b>	<b>2,497.61</b>	<b>82.47</b>	<b>2,350.00</b>	<b>77,403.62</b>	<b>617.25</b>	<b>282.97</b>	<b>15,663.33</b>	<b>(640.04)</b>	<b>82.57</b>	<b>98,339.78</b>

Refer to note 20 for nature and purpose of reserves.

Significant Accounting Policies and other accompanying notes (1-53) are an integral part of the financial statements.

As per our report on even date  
For **S.S. Kothari Mehta & Co**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner  
Membership No. 095960

**Raghav Raj Kanoria**  
Managing Director  
(DIN:07296482)

**A.K. Goswami**  
Whole Time Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

Place: Kolkata/New Delhi  
Date: 29th May, 2018

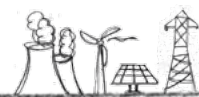
**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**Sanjeev Seth**  
Chief Executive Officer

For and on behalf of the Board





# CASH FLOW STATEMENT

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Taxation	3,463.13	6,124.33
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,680.13	1,784.67
Allowance for bad and doubtful debts & others (net)	7.58	17.99
Interest expense	7,759.78	5,840.34
Loss/(profit) on discard/sale of fixed assets (net)	6.70	-
Depreciation reversal (refer note 33)	-	(477.92)
Interest income on unwinding of financial instruments	(609.56)	(690.37)
Gain on mutual fund valuation	(3.58)	(24.34)
Prepaid expense amortisation	-	29.09
Lease rent expense	(2.73)	(2.73)
Loss on sale of investment	-	(22.39)
Adjustment for employee loan and security deposit	0.18	0.44
Income from investments	(31.91)	(31.45)
Interest on deposit and others	(1,570.00)	(614.91)
Profit on sale of non-current investment	-	(0.07)
Liability no longer required written back	(3,109.40)	-
Exceptional items	-	(4,673.56)
Foreign exchange (gain)/loss	(26.44)	59.45
	4,100.75	1,194.24
<b>Operating Profit before Working Capital Changes</b>	<b>7,563.88</b>	<b>7,318.57</b>
<b>Adjustments for:</b>		
Decrease / (Increase) - Inventories	43.52	(33.62)
Decrease / (Increase) - Regulatory deferral account balances	(147.01)	3,695.59
Decrease / (Increase) - Trade and other receivables	359.56	2,482.95
Decrease / (Increase) - Loans	1.73	870.30
Decrease / (Increase) - Other financial assets	(126.89)	(28.91)
Decrease / (Increase) - Other assets	(657.16)	(1,507.81)
Increase / (Decrease) - Trade payables	200.23	(53.60)
Increase / (Decrease) - Other financial liabilities	538.47	1,171.94
Increase / (Decrease) - Financial liabilities	(1,183.88)	(205.90)
	(971.43)	6,390.94
<b>Cash Generated from Operations</b>	<b>6,592.45</b>	<b>13,709.51</b>
Direct Taxes Paid	(259.67)	(140.35)
<b>Net Cash flow from/(used in) Operating Activities</b>	<b>6,332.78</b>	<b>13,569.16</b>





# CASH FLOW STATEMENT

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(2,886.66)	(1,500.79)
Proceeds from disposal of property, plant and equipment	1.34	0.62
Proceeds from sale of non current investments	180.00	30,669.11
Purchase of non current investments	(4,523.38)	(20,862.51)
Interest received on fixed deposits and loans	1,718.30	1,335.00
Receipt for completion of acquisition of a subsidiary	-	26,694.50
Proceeds from earmarked deposits with bank	4,789.40	(5,670.30)
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>(721.00)</b>	<b>30,665.63</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan to Subsidiary Company (net)	(2,669.04)	(6,580.11)
Proceeds from non-current borrowings	693.68	30,600.00
Repayment of non-current borrowings	(3,944.21)	(51,069.42)
Movement in cash credit facilities	(974.64)	400.16
Proceeds from current borrowings	10,000.10	200.00
Repayment of current borrowings	(200.00)	(6,700.00)
Loan to other body corporate	(1,156.00)	-
Dividend paid (including tax on dividend)	(185.36)	(165.77)
Interest paid	(6,991.37)	(11,439.47)
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>(5,426.84)</b>	<b>(44,754.61)</b>
Net increase/ (decrease) in Cash and Cash Equivalents	184.94	(519.82)
Cash and Cash Equivalents at the beginning of the year	782.82	1,302.64
Cash and Cash Equivalents at the closing of the year (Refer Note 13)	967.76	782.82

## Changes in Liability arising from financing activities

(₹ in lakhs)

Particulars	1st April, 2017	Cash Flow	Impact of effective interest rate	31st March, 2018
Borrowing Non Current (Refer Note 21)	47,522.51	(3,250.53)	79.38	44,351.36
Borrowing Current (Refer Note 27)	11,329.29	8,825.46	-	20,154.75

Significant Accounting Policies and other accompanying notes (1-53) are an integral part of the financial statements.

 As per our report on even date  
 For **S.S. Kothari Mehta & Co**  
 Chartered Accountants  
 Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
 Partner  
 Membership No. 095960

**Raghav Raj Kanoria**  
 Managing Director  
 (DIN:07296482)

**A.K. Goswami**  
 Whole Time Director  
 (DIN:03331661)

**Amit Kiran Deb**  
 Director  
 (DIN:02107792)

 Place: Kolkata/New Delhi  
 Date: 29th May, 2018

**Sushil Kr. Agarwal**  
 Chief Financial Officer

**Prashant Kapoor**  
 Company Secretary

**Sanjeev Seth**  
 Chief Executive Officer




# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 1. CORPORATE INFORMATION

India Power Corporation Limited is domiciled and incorporated in India and its shares are quoted on National Stock Exchange of India Limited (NSE), The Calcutta Stock Exchange Limited (CSE) and Metropolitan Stock Exchange of India Limited (MSEI). The Registered Office of the Company is at Plot X1 2&3, Block -EP, Sector-V, Saltlake City, Kolkata- 700091.

The Company is engaged in thermal power generation in the state of West Bengal and wind power generation in the state of Gujarat, Karnataka and Rajasthan. It is licensed to distribute power in and around Asansol region including the area covered under Asansol Municipal Corporation in the state of West Bengal.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act 2013 ("the Act") ("to the extent notified") and the Regulations issued from time to time by "West Bengal Electricity Regulatory Commission" (WBERC) under the Electricity Act, 2003 (Tariff Regulations). Ind AS are prescribed under section 133 of the Act read with rule 3 of The Companies ( Indian Accounting Standard ) Rules 2015 and the relevant amendment rules issued there after.

Effective April 1, 2016, the Company has adopted the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards" with effect from April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting Policy has been consistently applied except where a newly introduced accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

### 2.2 Recent Pronouncements

Appendix B to Ind AS 21, "Foreign currency transactions and advance consideration:" On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- "Revenue from Contract with Customers:" On March 28, 2018, Ministry of Corporate Affairs ("MCA") has

notified the Ind AS 115, Revenue from Contract with Customer. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customer.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirement of amendment and impact on financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

### 2.3 Basis of Preparation

The financial statements have been prepared on historical cost convention on accrual basis except for certain financial instruments, that are measured in terms of relevant Ind AS at fair value/amortised cost at the end of each reporting period, as explained in accounting policy below. Historical cost convention is generally based on fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees (₹) and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Financials for the year ended March 31, 2017 and as at March 31, 2017 has been audited by previous auditors.

### 2.4 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.



# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- (c) Level 3 : inputs for the asset or liability which are not based on observable market data.

## 2.5 Property, Plant and Equipment (PPE)

- (i) Freehold land is carried at historical cost. All other items of PPE are stated at their cost of acquisition or construction and is net of accumulated depreciation. Carrying value of PPE on the date of transition has been considered to be deemed cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit or Loss as incurred.
- (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) Depreciation on property plant and equipment commences when the assets are ready for their intended use.
- (iv) Depreciation on PPE is provided on the straight-line method at the rates specified in the Tariff Regulation and computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. The useful life of assets considered for depreciation as above are as follows:

Category	Useful life (years)
Building	15 to 50
Plant & Equipment	5 to 25
Mains, meters & transformers	7 to 35
Vehicles	5 to 10
Furniture & fixtures	7 to 15
Office equipments	7 to 15

- (v) The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (vi) Cost of leasehold lands are amortised under the straight line method over the related lease period.

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

## 2.6 Intangible Assets

### Recognition and initial measurement

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages (ERP and others) has been allocated / amortised over a period of 5 years on straight line basis.

## 2.7 Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

## 2.8 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

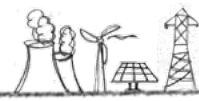
Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

## 2.9 Leases

Leases are classified as finance leases whenever in terms of the lease all the risks and rewards incidental to the ownership of an asset are substantially transferred to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount.





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

Any initial direct cost of the lessee is added to the amount recognized as an asset. Each Lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease arrangement are structured to increase in the payments in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

### 2.10 Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Company or otherwise these are classified as non current.

The financial instruments are classified to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

#### (i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

#### (ii) Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to

hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### (iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

#### (iv) For the purpose of para (ii) and (iii) above, the principal is considered to be fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

#### (v) Financial Assets or Liabilities at Fair value through profit or loss (FVTPL)

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

### 2.11 Financial guarantee contracts

Financial guarantee contracts other than those which are in the nature of Insurance are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.





# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

## 2.12 Impairment of Financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

## 2.13 De-recognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

## 2.14 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.

## 2.15 Foreign Currency Transactions

### Presentation currency:

These financial statements are presented in Indian Rupee, the

national currency of India, which is the functional currency of the Company.

### Transactions and balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

## 2.16 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

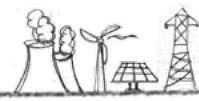
Contingent Assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

## 2.17 Post-employment, long term and short term employee benefits

### Defined contribution plans Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## Defined benefit plans

### Gratuity (Funded)

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statement in respect of gratuity is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to Other Comprehensive Income in the year in which such gains or losses are determined.

### 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 LIC. 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.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to Other Comprehensive Income in the year in which such gains or losses are determined.

### 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.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged Other Comprehensive Income in the year in which such gains or losses are determined.

### Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

## Short Term Employee Benefits

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

## Voluntary Retirement Scheme

Expenditure on voluntary retirement scheme (VRS) is being charged to Statement of Profit and Loss Account as incurred.

## 2.18 Revenue Recognition

### Sale of Energy

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.

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

Regulatory income and expense for the year recognised as per Regulations issued by WBERC are shown separately in the Statement of Profit and Loss.

### Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

## 2.19 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

## 2.20 Income Tax

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Taxable Income differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense taxable on the basis different than that considered for recognition in the accounts and also due to the items that are taxable or deductible in other years and items that are never taxable or deductible.



# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

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

## 2.21 Earnings per share

Basic earnings per share including regulatory income/expense is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

Basic earnings per share excluding regulatory income/expense is calculated by dividing the net profit or loss for the period before regulatory income/expense attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share including regulatory income/expense, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating diluted earnings per share excluding regulatory income/expense, the net profit or loss for the period before regulatory income/expense attributable to equity shareholders and the weighted average number of shares

outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.22 Regulatory Assets and Liabilities

Regulatory assets and liabilities shown as Regulatory Deferral Account Balance are recognised based on process defined in Tariff Regulations issued by WBERC. Any adjustment there of are recognised in the year in which order of WBERC are received. 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. Consequential adjustments are given effect to upon confirmation by the relevant authorities.

## 3. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also been discussed below:

### (a) Regulatory Deferral Account Balances

Regulatory Deferral consists of Fuel and Power Purchase Cost Adjustment (FPPCA) and other accruals as per the Tariff Regulation as recognised in the accounts have been considered on the basis of available tariff order and as per the norms and formula prescribed in the regulations; this may vary requiring adjustments on determination by the regulator.

### (b) Fair Valuation of Financial assets - Beneficial Interest in Power Trust

Beneficial Interest in Power Trust have been evaluated and





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

considered based on the valuation of underlying securities and the projected inflows of the Investee entities as estimated by the respective management and evaluated by an independent valuer. Variation arising with respect to actual numbers in future may require adjustment effecting other comprehensive income.

### (c) Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Accordingly, such provision has been made considering concession/allowances including those based on expert advice/judicial pronouncements.

### (d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations as it is not possible to predict the outcome of pending matters with accuracy.

### (e) Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable vary, it may effect the amount of actual write-offs as estimated.

### (f) Determining whether an arrangement contain leases and classification of leases

The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

### (g) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

## 4. AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ('the scheme') sanctioned by the Hon'ble Calcutta High Court 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.

### 4.1 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 ₹ 1 each of the Company aggregating to ₹ 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 ₹ 1 each aggregating to ₹ 5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court leaving 38,95,15,856 equity shares held by Power Trust. The above referred allotment and cancellation has not been given effect due to certain pending formalities with the Stock Exchanges in view of Interim Order relating to minimum public shareholding passed by SEBI. Pending this, a net amount of ₹ 6,041.43 lakhs, being the differential amount with respect to the equity shares to be allotted and to be cancelled as stated herein above, has continued to be shown as share capital suspense account.

In terms of the Orders dated January 27, 2017 and August 25, 2017 of Hon'ble Calcutta High Court, Power Trust transferred/ sold off through Offer for Sale 65,462,459 equity shares of the Company. Therefore, Power Trust as on March 31, 2018 holds 324,053,397 equity shares of the Company. The Hon'ble Calcutta High Court, vide its Order dated 18th May, 2018 has directed to dispose of the balance shares expeditiously.

**4.2** 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 ₹ 20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

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





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 5 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

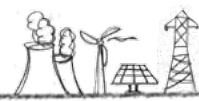
Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Mains, Meters and Transformers	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Gross carrying value as at April 1, 2016</b>	<b>292.28</b>	<b>1,337.61</b>	<b>6,066.80</b>	<b>8,145.72</b>	<b>21,701.48</b>	<b>176.22</b>	<b>438.91</b>	<b>84.16</b>	<b>38,243.18</b>
Addition	-	80.22	7.83	12.98	847.18	3.79	9.92	11.71	973.63
Disposal	4.08	-	85.47	1,446.66	170.71	3.69	57.09	0.93	1,768.63
Adjustments	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2017</b>	<b>288.20</b>	<b>1,417.83</b>	<b>5,989.16</b>	<b>6,712.04</b>	<b>22,377.95</b>	<b>176.32</b>	<b>391.74</b>	<b>94.94</b>	<b>37,448.18</b>
Addition	-	-	305.90	94.17	806.56	11.08	39.45	162.65	1,419.81
Disposal	-	-	-	-	20.37	0.29	11.02	2.71	34.39
Adjustments	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2018</b>	<b>288.20</b>	<b>1,417.83</b>	<b>6,295.06</b>	<b>6,806.21</b>	<b>23,164.14</b>	<b>187.11</b>	<b>420.17</b>	<b>254.88</b>	<b>38,833.60</b>
<b>Accumulated depreciation as at April 1, 2016</b>	-	<b>23.66</b>	<b>300.30</b>	<b>358.90</b>	<b>917.10</b>	<b>17.60</b>	<b>59.41</b>	<b>23.94</b>	<b>1,700.91</b>
Charge for the period	-	23.89	299.55	316.44	958.87	17.86	54.35	21.99	1,692.95
Disposal	-	-	3.20	128.58	16.97	0.47	16.00	-	165.22
<b>Accumulated depreciation as at March 31, 2017</b>	-	<b>47.55</b>	<b>596.65</b>	<b>546.76</b>	<b>1,859.00</b>	<b>34.99</b>	<b>97.76</b>	<b>45.93</b>	<b>3,228.64</b>
Charge for the period	-	24.47	278.55	276.98	968.73	17.83	47.35	35.08	1,648.99
Disposal	-	-	-	-	2.58	0.06	5.99	1.99	10.62
<b>Accumulated depreciation as at March 31, 2018</b>	-	<b>72.02</b>	<b>875.20</b>	<b>823.74</b>	<b>2,825.15</b>	<b>52.76</b>	<b>139.12</b>	<b>79.02</b>	<b>4,867.01</b>
Net carrying value as at March 31, 2017	288.20	1,370.28	5,392.51	6,165.28	20,518.95	141.33	293.98	49.01	34,219.54
<b>Net carrying value as at March 31, 2018</b>	<b>288.20</b>	<b>1,345.81</b>	<b>5,419.86</b>	<b>5,982.47</b>	<b>20,338.99</b>	<b>134.35</b>	<b>281.05</b>	<b>175.86</b>	<b>33,966.59</b>

**5.1** Gross Block and Net Block of buildings includes ₹ 166.67 lakhs and ₹ 146.92 lakhs (₹ 166.67 lakhs and ₹ 153.51 lakhs as on March 31, 2017) respectively being building constructed on land not owned by the Company.

**5.2** Refer note 21 & 27 for charge against PPE.

**5.3** Refer note 16.1 for disposal of Chinakuri Power Plant.





# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

## 6 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software
<b>Gross Carrying Value as at April 1, 2016</b>	<b>280.91</b>
Additions	-
Disposal	-
Adjustments	-
<b>Gross Carrying Value as at March 31, 2017</b>	<b>280.91</b>
Additions	87.96
Disposal	-
Adjustments	-
<b>Gross carrying value as at March 31, 2018</b>	<b>368.87</b>
<b>Accumulated depreciation as at April 1, 2016</b>	<b>94.93</b>
Charge for the period	91.72
Disposal	-
<b>Accumulated depreciation as at March 31, 2017</b>	<b>186.65</b>
Charge for the period	31.14
Disposal	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>217.79</b>
Net carrying value as at March 31, 2017	94.26
<b>Net carrying value as at March 31, 2018</b>	<b>151.08</b>

## 7.1 NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)		(No.)	(No.)
<b>Investment in equity instruments</b>					
<b>Fully paid up Equity Shares</b>					
<b>Unquoted, Carried at Cost</b>					
<b>Investment in Subsidiary Companies</b>					
India Power Corporation (Bodhgaya) Limited	100,000	100,000	10	10.00	10.00
IPCL Pte. Ltd. (Face value of SGD 1/- each)	12,000	12,000		5.94	5.94
IPCL Power Trading Private Limited	5,200,000	5,200,000	10	520.00	520.00
India Power Green Utility Private Limited	110,000	110,000	10	11.00	11.00
Meenakshi Energy Limited	3,911,740,555	3,811,506,509	10	10,023.41	0.01
<b>Investment in Joint venture Companies</b>					
Matsya Shipping & Ports Private Limited	5,000	5,000	10	0.50	0.50
India Uniper Power Services Private Limited	3,525,000	3,525,000	10	352.50	352.50
<b>Investment in Other Body Corporate</b>					
<b>Carried at Fair value through Other Comprehensive Income</b>					
<b>Quoted</b>					
Yule Financing & Leasing Co. Limited	297,930	297,930	10	-	-
Tide Water Oil Co. (I) Limited	4,024	4,024	5	245.36	242.21



# NOTES ON FINANCIAL STATEMENTS

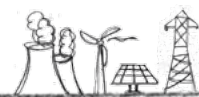
for the year ended 31st March, 2018

## 7.1 NON-CURRENT INVESTMENTS (CONTD.)

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)			
<b>Unquoted</b>					
Transformer & Switchgear Limited	24,407	24,407	10	-	-
WEBFIL Limited	2,003,800	2,003,800	10	-	-
Woodlands Multispecialty Hospital Limited	500	500	10	0.05	0.05
India Power Corporation (Tuticorin) Private Limited	387,600	387,600	10	40.54	37.29
<b>Investment in Preference Shares</b>					
<b>Fully Paid up Preference Shares</b>					
<b>Investment in Associate</b>					
<b>Unquoted Carried at Cost</b>					
0.01% Compulsorily Convertible Preference Shares in Hiranmaye Energy Limited (formerly known India Power Corporation (Haldia) Limited) (CCPS)	-	306,827,040	10	-	30,682.70
<b>Investment in Debenture</b>					
<b>Fully Paid up Debentures</b>					
<b>Investment in other Body Corporate</b>					
<b>Carried at Fair value through Other Comprehensive Income</b>					
18.00% Unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Private Limited	2,500	2,500	100	2.50	2.50
<b>Investment for Unforeseen Exigencies Reserve</b>					
<b>Carried at amortised cost</b>					
<b>Quoted - Bonds</b>					
11.00% PFC, 2018	-	3	1,000,000	-	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
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
<b>Carried at Fair value through Profit and loss</b>					
<b>Quoted- Mutual Funds</b>					
UTI- GILT Advantage fund long term plan - Dividend payout	639,645	639,645	10	151.22	146.62
<b>Investment for Unforeseen Exigencies Reserve Interest</b>					
<b>Quoted - Bonds</b>					
<b>Carried at amortised cost</b>					
11.40% SREI IFL, 2022	2	2	1,000,000	19.99	19.99
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





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 7.1 NON-CURRENT INVESTMENTS (CONTD.)

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)		(No.)	(No.)
<b>Carried at Fair value through Profit and loss</b>					
<b>Quoted- Mutual Funds</b>					
UTI Balanced Fund (Income Re-investment) Scheme	96,465	85,750	10	28.12	25.85
<b>Total</b>				<b>11,573.11</b>	<b>32,249.14</b>
Aggregate amount of Quoted Investments				606.67	626.65
Aggregate Market Value of Quoted Investments				605.58	628.40
Aggregate amount of Unquoted Investments				10,966.44	31,622.49

## 7.2 CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)		(No.)	(No.)
<b>Investment for Unforeseen Exigencies Reserve</b>					
<b>Carried at amortised cost</b>					
<b>Quoted - Bonds</b>					
11.00% PFC, 2018	3	-	1,000,000	30.00	-
<b>Total</b>				<b>30.00</b>	<b>-</b>
Aggregate amount of Quoted Investments				30.00	-
Aggregate Market Value of Quoted Investments				31.22	-

**7.3** The Company invested on 30th September 2016 to hold 3,811,506,509 shares of Meenakshi Energy Limited (MEL), representing 95.07% of MEL equity shares, which were fully pledged with SBI CAP Trustee Company Limited (SBI CAP) on behalf of the lenders. Pledge on these shares was invoked on 2nd May 2018. This matter is pending with Hon'ble XIV Additional Chief Judge cum Commercial court Hyderabad and is sub judice.

**7.4** Pursuant to an agreement with Meenakshi Energy Limited (MEL), the Company has been allotted 100,234,046 equity shares of ₹ 10 each of MEL by conversion of its loan of ₹ 10,023.40 lakhs.

**7.5** The Company has sold Compulsorily Convertible Preference shares (CCPS) of Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) of ₹ 30,682.70 lakhs comprising of 306,827,040 CCPS of ₹ 10 each to Power Trust on December 29, 2017 along with encumbrances for which necessary approvals need to be obtained. Consequent to above Hiranmaye Energy Limited has ceased to be an associate.

## 7.6 Statement of investment in Subsidiaries, Joint ventures and Associate

### (a) Investment in Subsidiaries

Name of the Company	Country of Incorporation	% of holding as at 31st March, 2018	% of holding as at 31st March, 2017
India Power Corporation (Bodhgaya) Limited	India	100.00	100.00
IPCL Pte. Ltd.	Singapore	100.00	100.00
IPCL Power Trading Private Limited	India	99.81	99.81
India Power Green Utility Private Limited	India	100.00	100.00
Meenakshi Energy Limited (refer note no. 7.3 and 7.4)	India	95.19	95.07





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 7.6 Statement of investment in Subsidiaries, Joint ventures and Associate (Contd.)

#### (b) Investment in Joint ventures

Name of the Company	Country of Incorporation	% of holding as at 31st March, 2018	% of holding as at 31st March, 2017
Matsya Shipping & Ports Private Limited	India	50.00	50.00
India Uniper Power Services Private Limited	India	50.00	50.00

#### (c) Investment in Associate

Name of the Company	Country of Incorporation	% of holding as at 31st March, 2018	% of holding as at 31st March, 2017
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) (Refer note No. 7.5)	India	-	30.61

## 8 NON-CURRENT FINANCIAL ASSET - LOANS

(₹ in lakhs)

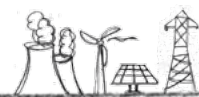
Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Unsecured Considered Good unless otherwise stated</b>			
<b>Carried at amortised cost</b>			
Deposits		0.40	0.35
Loan to Related Parties	8.1	1,239.14	801.55
Advances to Employees		1.79	2.19
<b>Total</b>		<b>1,241.33</b>	<b>804.09</b>

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

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
i) Loans to Subsidiary company		
- India Power Corporation (Bodhgaya) Limited		
Outstanding balance	272.12	25.00
Maximum Amount due during the year	1,538.00	573.00
- IPCL Pte. Ltd.		
Outstanding balance	418.64	337.55
Maximum Amount due during the year	418.64	364.64
- India Power Green Utility Private Limited		
Outstanding balance	820.50	464.00
Maximum Amount due during the year	852.78	464.00
- Meenakshi Energy Limited		
Outstanding balance	3,069.00	6,364.00
Maximum Amount due during the year	13,117.40	6,364.00
- IPCL Power Trading Private Limited		
Outstanding balance	-	170.00
Maximum Amount due during the year	2,230.00	570.00



**NOTES ON FINANCIAL STATEMENTS** for the year ended 31st March, 2018**8.1 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Contd.)**

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
ii) Advance to subsidiary company		
- Meenakshi Energy Limited		
Outstanding balance	25.42	35.59
Maximum Amount due during the year	114.34	35.59
- IPCL Power Trading Private Limited		
Outstanding balance	169.61	-
Maximum Amount due during the year	1,232.45	50.00
iii) Advance to Associates		
- Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)		
Outstanding balance	-	46.67
Maximum Amount due during the year	-	46.67
iv) Loans to Joint Venture companies		
- Matsya Shipping & Ports Private Limited		
Outstanding balance	5.00	5.00
Maximum Amount due during the year	5.00	5.00
- India Uniper Power Services Private Limited		
Outstanding balance	-	-
Maximum Amount due during the year	-	40.00
v) Advance to Joint Venture companies		
- Matsya Shipping & Ports Private Limited		
Outstanding balance	-	-
Maximum Amount due during the year	-	3.00
- India Uniper Power Services Private Limited		
Outstanding balance	-	-
Maximum Amount due during the year	17.04	31.02

**9 NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Carried at amortised cost</b>			
Fixed Deposit with banks having maturity of more than 12 Months	9.1	279.84	275.91
<b>Carried at fair value through other comprehensive income</b>			
Beneficial Interest in Power Trust	9.2	81,871.84	81,878.04
<b>Total</b>		<b>82,151.68</b>	<b>82,153.95</b>

- 9.1** (a) Includes ₹ 22.11 lakhs (Nil as on March 31, 2017) kept as margin money with bank and ₹ 257.73 lakhs (₹ 211.06 lakhs as on March 31, 2017) kept with bank as lien against repayment of term loans.
- (b) Includes Nil (₹ 62 lakhs as on March 31, 2017) being investment against unforeseen exigencies fund and Nil (₹ 2.85 lakhs as on March 31, 2017) being investment against unforeseen exigencies interest fund.



## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

**9.2** Beneficial Interest in Power Trust represent investments in Company's shares, associates and other unlisted companies net off borrowings and liabilities pertaining to investment division of erstwhile IPCL transferred to the said Power Trust in terms of the scheme of amalgamation (refer note 4). Considering that the Company's shares are held by an independent trust and are meant for sale in terms of Hon'ble Calcutta High Court order the beneficial interest (including company's shares) has been treated as financial assets and fair valuation as required in terms of Ind AS 109 has been carried out by an independent firm of chartered accountant and the resultant decrease of ₹ 6.20 lakhs (₹ 22.80 lakhs as on March 31, 2017) in value thereof, has been adjusted from comprehensive income.

**9.3** Refer Note 4.1 for Company's shares transferred and held by Power Trust.

### 10 NON-CURRENT ASSETS - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Advance against goods, services &amp; Others</b>			
<b>Unsecured Considered Good unless otherwise stated</b>			
Prepaid Expenses		4.74	10.68
Capital Advance		262.82	43.50
Advance Others	10.1	1,204.33	853.82
Long term Deposit	10.1	4,205.55	4,205.55
<b>Total</b>		<b>5,677.44</b>	<b>5,113.55</b>

**10.1** 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 ₹ 4,205.55 lakhs and maintenance amount of ₹ 598.44 lakhs including ₹ 191.12 lakhs paid during the year 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 interests) towards a power project acquired/ to be acquired by the said ARC from lenders. Pending completion of the transaction and settlement with the lenders by ARC, further maintenance amount of ₹ 605.89 lakhs including ₹ 159.39 lakhs paid during the year has been paid as part of recoveries in this connection. Consequential adjustments shall be carried out by the Company on resolution of financial assets and shall be accounted for on determination of amount thereof.

### 11 INVENTORIES

(At lower of cost or net realisable value)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Coal	11.1	313.33	326.09
Stores and Spares	11.1	619.15	650.61
Loose Tools	11.1	3.10	2.33
<b>Total</b>		<b>935.58</b>	<b>979.03</b>

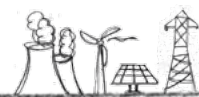
**11.1** Refer note 27 for charge against inventories.

### 12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Secured</b>			
Considered good	12.1	1,430.42	1,160.29
<b>Total Secured</b>		<b>1,430.42</b>	<b>1,160.29</b>





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES (CONTD.)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Unsecured</b>			
Considered good		4,154.92	4,792.19
Unsecured, considered Doubtful		91.81	84.63
		4,246.73	4,876.82
Less: Allowance for bad and doubtful debt		91.81	84.63
<b>Total Unsecured</b>		4,154.92	4,792.19
<b>Total</b>		<b>5,585.34</b>	<b>5,952.48</b>

12.1 Secured by security deposits received from the respective consumers.

12.2 The Company extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per Power Purchase Agreements (PPA) entered with DISCOMs for non regulatory business. Consumer's outstanding balances are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business is covered with PPA with government undertakings and in case of regulated business outstanding are as governed by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No objection certificate" from the Company. The Company has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent.

(₹ in lakhs)

Particulars	Within Credit period	Upto 6 Months	6 to 12 Months	Above 12 months	Total
Trade Receivable					
As at 31st March 2018					
Secured	1,049.09	156.53	207.33	17.47	1,430.42
Unsecured	3,497.99	206.47	90.08	452.19	4,246.73
Gross Total	4,547.08	363.00	297.41	469.66	5,677.15
Allowance for bad and doubtful debt	-	-	-	91.81	91.81
<b>Net Total</b>	<b>4,547.08</b>	<b>363.00</b>	<b>297.41</b>	<b>377.85</b>	<b>5,585.34</b>
As at 31st March 2017					
Secured	1,022.41	1.08	134.16	2.64	1,160.29
Unsecured	3,689.66	752.70	144.93	289.53	4,876.82
Gross Total	4,712.07	753.78	279.09	292.17	6,037.11
Allowance for bad and doubtful debt	-	-	-	84.63	84.63
<b>Net Total</b>	<b>4,712.07</b>	<b>753.78</b>	<b>279.09</b>	<b>207.54</b>	<b>5,952.48</b>

12.3 Refer note 27 for charge against the outstanding amount.

12.4 Movement in Allowance for bad and doubtful debt

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Opening Balance	84.63	66.64
Additions	17.93	35.76
Reversals	(10.75)	(17.77)
<b>Closing Balance</b>	<b>91.81</b>	<b>84.63</b>





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 13 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
<b>Cash and Cash Equivalent</b>		
Balances with Banks		
Current Account	964.99	778.75
Cash on hand	2.77	4.07
<b>Total</b>	<b>967.76</b>	<b>782.82</b>

## 14 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Other Balances with Banks</b>			
Fixed deposit	14.1	1,394.53	6,278.47
Current Account - Unforeseen Exigencies Reserve Fund		0.11	0.11
Unpaid Dividend	29.1	168.64	78.03
<b>Total</b>		<b>1,563.28</b>	<b>6,356.61</b>

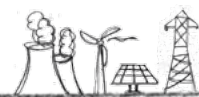
- 14.1** (a) Includes ₹ 465.33 lakhs (₹ 919.98 lakhs as on March 31, 2017) kept as margin money with bank and ₹ 352.07 lakhs (₹ 492.26 lakhs as on March 31, 2017) kept with bank as lien against repayment of term loans.
- (b) Includes ₹ 389.84 lakhs (₹ 189.24 lakhs as on March 31, 2017) being investment against unforeseen exigencies fund and ₹ 187.29 lakhs (₹ 153.59 lakhs as on March 31, 2017) being investment against unforeseen exigencies interest fund.
- (c) Includes ₹ Nil (₹ 4,523.40 lakhs as on March 31, 2017) kept as margin money against Bank guarantee issued in favour of lenders of Meenakshi Energy Limited.

## 15 CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Unsecured Considered Good unless otherwise stated</b>			
<b>Carried at amortised cost</b>			
Loan to related parties	8.1	3,346.12	6,564.00
Loan to employees		1.38	2.20
Loan Others		1,156.00	-
Security Deposit		403.40	403.70
<b>Total</b>		<b>4,906.90</b>	<b>6,969.90</b>





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 16 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Unsecured Considered Good unless otherwise stated</b>			
Interest Accrued		198.49	342.41
Receivable from Power Trust	7.5 & 16.3	48,948.77	18,446.07
Receivable - Others	16.1	3,015.70	2,990.61
Advance to related party	8.1	195.03	82.26
Advance - Employees & Others		23.01	18.25
<b>Total</b>		<b>52,381.00</b>	<b>21,879.60</b>

**16.1** The lease of Chinakuri Power Station (CPS) with Eastern Coal Fields Limited (ECL) has expired on March 31, 2012 and in terms of lease agreement ECL is required to take over all assets at respective Written Down Value as on the date of termination of the lease. In terms of the arbitration order passed by Arbitration Tribunal, handing / taking over of vacant and peaceful possession of CPS has been completed on October 6, 2016, and thereby the resultant amount of ₹ 2,468.10 lakhs has been shown as recoverable from ECL.

**16.2** The Company's claim / counter claim from ECL with respect to above and ECL's claim against the Company in this respect are under arbitration pursuant to the order of Hon'ble Supreme Court of India. Adjustment in this respect will be given effect to as and when determined.

**16.3** Receivable from Power Trust represents amount recoverable against sale of Compulsorily Convertible Preference Shares during the year (refer note 7.5) and Fully and Compulsorily Convertible Debenture of Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) to Power Trust net of loan of ₹ 30,600.00 lakhs taken from India Power (Tuticorin) Private Limited, which in terms of an agreement dated March 31, 2017 has been assigned to said Trust.

## 17 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Advance to Suppliers	585.03	413.25
Other advances	16.25	15.77
Prepaid Expenses	300.73	110.07
<b>Total</b>	<b>902.01</b>	<b>539.09</b>

## 18 REGULATORY DEFERRAL ACCOUNT BALANCES

### (a) Debit balances

(₹ in lakhs)

Particulars	Receivable Against APR Orders	Fuel and Power Purchase Cost Adjustments	Other Adjustments based on Tariff Regulations	Others	Total
<b>As at April 1, 2016</b>	2,794.77	4,122.01	6,527.12	4,617.23	18,061.13
Balance arising in the period	-	-	720.41	-	720.41
Recovery/(Reversal)	(2,794.77)	(1,728.56)	(1,766.04)	(4,617.23)	(10,906.60)
<b>Closing Balance as at March 31, 2017</b>	<b>-</b>	<b>2,393.45</b>	<b>5,481.49</b>	<b>-</b>	<b>7,874.94</b>
Balances arising in the period	-	-	3,539.86	-	3,539.86
Recovery/(Reversal)	-	(1,456.34)	-	-	(1,456.34)
<b>Closing Balance as at March 31, 2018</b>	<b>-</b>	<b>937.11</b>	<b>9,021.35</b>	<b>-</b>	<b>9,958.46</b>



# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 18 REGULATORY DEFERRAL ACCOUNT BALANCES (CONTD.)

### (b) Credit Balances

(₹ in lakhs)

Particulars	Note No.	Fuel and Power Purchase Cost Adjustments	Total
<b>As at April 1, 2016</b>		-	-
Balance arising in the period		3,077.57	3,077.57
Recovery (Reversal)		-	-
<b>Closing Balance as at March 31, 2017</b>		<b>3,077.57</b>	<b>3,077.57</b>
Balances arising in the period	18.2	1,936.51	1,936.51
Recovery/Reversal		-	-
<b>Closing Balance as at March 31, 2018</b>		<b>5,014.08</b>	<b>5,014.08</b>

### (c) Regulatory Income/(Expense) (net)

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Fuel and Power Purchase Cost Adjustment	18.2	(1,936.51)	(3,077.57)
Other Adjustments based on Tariff Regulations and orders	18.2	3,539.86	720.41
<b>Total</b>		<b>1,603.35</b>	<b>(2,357.16)</b>

### 18.1 Tariff regulations, risks and uncertainties

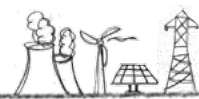
In the State of West Bengal tariff for electricity are determined by West Bengal Electricity Regulatory Commission (WBERC/Commission).

- Multi year tariff (MYT) proposal giving therein details for appropriate capital structure to meet the capital investment plan with details of cost of financing including interest cost on debt and return on equity, expected sales for the years and the 'Annual Revenue Requirement' (ARR) covering both variable and fixed cost is submitted to WBERC. Commission examines the MYT proposals thereafter and tariff is determined for different categories of consumers. At the end of the financial year, "Annual Performance Review" (APR) petition for fixed cost and Fuel and Power Purchase Cost Adjustment (FPPCA) for variable cost is submitted to WBERC. WBERC reviews cost incurred under two categories as defined in Tariff regulation as "Controllable" and "Uncontrollable". In case of Uncontrollable cost all increase are allowed on actual basis and for Controllable cost, the commission may disallow any increase if these are not considered to be justifiable.
- The tariff regulation prescribes various normative operational and financial parameters for the Company. Any variation thereof may lead to disallowances. The Company is exposed to regulatory risk to the extent accruals are disallowed on assessment.

- As per the Tariff Regulation any increase in variable cost is allowed to be recovered from consumers based on formula prescribed in the tariff regulation for "Fuel and Power Purchase Cost Adjustment" (FPPCA) as 'monthly variable cost adjustment' (MVCA). FPPCA recoverable/refundable, reliability incentive etc is accounted for as regulatory income/(expense) in the statement of Profit and Loss.
- Regulatory deferral balances relate to FPPCA and Reliability incentives created on the basis of latest declared tariff order. Accruals on account of FPPCA and reliability incentives etc are recognised in books as per formula prescribed in Tariff Regulation Reversal/ accrual are carried out in the year in which Tariff, FPPCA and APR orders are received. Recovery of the regulatory deferral balances are carried out in the manner and instalments as allowed by WBERC.

- 18.2** Payable on account of FPPCA of ₹ 1,936.51 lakhs for the year has been recognised on the basis of formulae prescribed under the applicable Tariff Regulations, and is net of ₹ 912.32 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. The Company is entitled for incentive and gains including incentive for reliability in power supply and accordingly based on applicable norms as per Tariff regulation, ₹ 3,539.86 lakhs have been recognised. 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.





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 19 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	31st March, 2018		31st March, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
10% 'A' Cumulative preference shares of ₹ 100 each	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of ₹ 100 each	12,000	12.00	12,000	12.00
Equity Shares of ₹ 1 each	16,997,200,000	169,972.00	16,997,200,000	169,972.00
<b>Issued, Subscribed and fully paid up equity shares</b>				
Equity Shares of ₹ 1 each	973,789,640	9,737.90	973,789,640	9,737.90
<b>Total</b>	<b>973,789,640</b>	<b>9,737.90</b>	<b>973,789,640</b>	<b>9,737.90</b>

19.1 The Company has only one class of equity shares having a par value of ₹ 1 each. Each share has one voting right.

19.2 There is no movement in the number of shares outstanding and the amount of Share Capital as at March 31, 2018 and March 31, 2017.

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

Name of the Shareholders	31st March, 2018	31st March, 2017
	No. of Shares	No. of Shares
Erstwhile India Power Corporation Ltd. (refer Note 4.1)	516,132,374	516,132,374
Power Trust (held in the name of the Trustee of the trust )	324,053,397	326,316,563
Aksara Commercial Private Limited	63,199,293	63,199,293

19.4 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 4.1.

## 20 OTHER EQUITY

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Capital Reserve			
- Contribution from consumers towards service lines	20.1	2,497.61	2,103.76
- Other capital reserve	20.2	82.47	82.47
Debenture redemption reserve	20.3	2,350.00	2,350.00
General reserve	20.4	77,403.62	77,403.62
Reserve for unforeseen exigencies fund	20.5	617.25	516.95
Reserve for unforeseen exigencies interest fund	20.5	282.97	224.08
Retained earnings	20.6	15,663.33	13,964.05
Other Comprehensive Income (OCI)	20.8		
- Remeasurement of defined benefit plans		(640.04)	(519.29)
- Fair value beneficial interest in Power Trust and equity instrument through OCI		82.57	82.36
<b>Total</b>		<b>98,339.78</b>	<b>96,208.00</b>





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

- 20.1** 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 treated as Capital Reserve.
- 20.2** Reserve arising on amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as other capital reserve.
- 20.3** Debenture Redemption Reserve is required to be created out of the profits available for payment of dividend in terms of Section 71 of the Companies Act, 2013 which is equal to 25% of the face value of the debentures issued and outstanding. The reserve will be released on redemption of the debentures.
- 20.4** (a) The General reserve is created from time to time by appropriating profits from retained earnings at the discretion of the Company. As the general reserve is created by a transfer from one component of equity to another, and accordingly it is not reclassified to the Statement of profit and loss.
- (b) General reserve include ₹ 56,887.09 lakhs being General reserve of amalgamating company in terms of Note 4. Further, reserve of ₹ 20,079.84 lakhs arising on amalgamation as stated in note 4.2 has also been included therein.
- 20.5** Reserve for unforeseen exigencies reserve are created in terms of the Tariff Regulation issued by West Bengal Electricity Regulatory Commission. The sum appropriated to 'Reserve for unforeseen exigencies' are to be invested in specified securities and financial instruments (fixed deposit) at Nationalised bank. The interest accrued from such investment is reinvested and kept under - 'Reserve for unforeseen exigencies Interest fund'. The aforesaid reserves or fund shall be drawn upon only to meet such charges as the Commission may approve.
- 20.6** Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company.
- 20.7 Dividend Distribution**
- The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.
- On August 12, 2017 a dividend pertaining to the financial year 2016-2017 of ₹ 0.05 per equity shares aggregating to ₹ 228.83 Lakhs and the dividend distribution tax of ₹ 47.14 lakhs has been approved for payment to equity shareholders of the Company.
- In respect of the year ended March 31, 2018, the Board of Directors has recommended a dividend of ₹ 0.05 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.
- 20.8** (a) OCI represent actuarial gains and losses on defined benefit obligations and
- (b) The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed. This will not be reclassified to statement of Profit and Loss.
- 20.9** Refer Statement of Changes in Equity for movement in balances of reserves.

## 21 NON CURRENT FINANCIAL LIABILITY - BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018			31st March, 2017		
		Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
Secured							
Non Convertible Debentures	21.1	5,557.35	2,353.00	7,910.35	7,910.36	1,938.36	9,848.72
Term Loan							
- from Banks	21.2	33,662.87	2,755.96	36,418.83	35,526.15	2,125.45	37,651.60
Unsecured							
- Finance lease obligation		22.18	-	22.18	22.19	-	22.19
<b>Total</b>		<b>39,242.40</b>	<b>5,108.96</b>	<b>44,351.36</b>	<b>43,458.70</b>	<b>4,063.81</b>	<b>47,522.51</b>





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

- 21.1** (a) Includes 10.75% Secured Redeemable Non Convertible Debentures aggregating to ₹ 5,910.35 lakhs (₹ 7,848.72 lakhs as on March 31, 2017) 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 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).
- (b) Includes 12% Secured Redeemable Non Convertible Debentures aggregating to ₹ 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 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.
- 21.2** (a) Includes term loan of ₹ 2,209.68 lakhs (₹ 2,649.12 lakhs as on March 31, 2017) at 1 year MCLR plus 3.2% 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 ₹ 10,000 lakhs given in note 21.1 (a).
- (b) Includes term loan of ₹ 6,177.44 lakhs (₹ 6,819.43 lakhs as on March 31, 2017) at MCLR plus 1.9% and is repayable in 9 years from 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.
- (c) Include loan of ₹ 22,655.99 lakhs (₹ 22,687.31 lakhs as on March 31, 2017) availed as renewal cum sanction of working capital facilities at three months MCLR plus 1.40% 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.
- (d) Includes term loan of ₹ 4,000.00 lakhs (₹ 4,750 lakhs as on March 31, 2017) at 1 year MCLR plus 1% repayable in 16 quarterly instalments with effect from 8th 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.
- (e) Includes term loan of ₹ 682.05 lakhs (₹ 745.74 lakhs as on March 31, 2017) at 1 year MCLR plus 2.75% 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.
- (f) Includes term loan of ₹ 592.71 lakhs (Nil as on March 31, 2017) at MCLR plus 1.25% and is repayable in 48 equal quarterly instalments with moratorium of 15 month from COD of the Project and is secured by hypothecation of the assets acquired out of the term loan i.e. 132 kv traction power to Eastern Railway Pandeweswar TS.
- (g) Includes term loan of ₹ 41.91 lakhs (Nil as on March 31, 2017) at the rate of 8.80% repayable in 48 monthly instalments is secured against the asset purchased out of the Loan.
- (h) Includes term loan of ₹ 59.05 lakhs (Nil as on March 31, 2017) at the rate of 8.76% repayable in 36 monthly instalments is secured against the asset purchased out of the Loan.

## 22 NON CURRENT FINANCIAL LIABILITY - TRADE PAYABLE

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Carried at amortised cost</b>			
Trade Payables	22.1	3,608.54	3,219.33
<b>Total</b>		<b>3,608.54</b>	<b>3,219.33</b>

- 22.1** Includes ₹ 2,430.98 lakhs (₹ 2,168.78 lakhs as on March 31, 2017) 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.



## NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 23 NON CURRENT FINANCIAL LIABILITY - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Carried at amortised cost</b>			
Advance from Consumers		2,717.29	2,424.21
Security Deposit Received from Consumers	12.1	2,572.69	2,626.96
Others		824.20	735.32
<b>Total</b>		<b>6,114.18</b>	<b>5,786.49</b>

### 24 NON CURRENT FINANCIAL LIABILITY - PROVISIONS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Provision for Employee benefits	47	359.53	247.62
<b>Total</b>		<b>359.53</b>	<b>247.62</b>

### 25 DEFERRED TAX LIABILITIES (NET)

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

(₹ in lakhs)

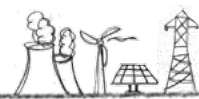
Particulars	31st March, 2018	31st March, 2017
Deferred tax assets	1,893.06	1,893.87
Deferred tax liabilities	(6,732.77)	(6,664.94)
<b>Total deferred tax (liabilities)/assets</b>	<b>(4,839.71)</b>	<b>(4,771.07)</b>

Gross deferred tax liability and assets for the year ended 31st March 2018 are as follows:

(₹ in lakhs)

Particulars	Liability	Asset	Net
Property, Plant and Equipment	(6,486.07)	-	(6,486.07)
Unamortised borrowing cost	(35.37)	-	(35.37)
Provision for employee Benefits	-	628.58	628.58
Voluntary retirement & Other benefits allowable on amortisation basis	-	30.71	30.71
MAT Credit	-	1,205.32	1,205.32
Unrealised Gain/(loss) on security carried at fair value through P&L/OCI	(15.19)	-	(15.19)
Receivable, loans and advances	-	0.18	0.18
Trade and other payables	(196.14)	-	(196.14)
Others	-	28.27	28.27
<b>Total deferred tax liability</b>	<b>(6,732.77)</b>	<b>1,893.06</b>	<b>(4,839.71)</b>





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 25 DEFERRED TAX LIABILITIES (NET) (CONTD.)

Gross deferred tax liability and assets for the year ended 31st March 2017 are as follows:

(₹ in lakhs)

Particulars	Liability	Asset	Net
Property, Plant and Equipment	(6,336.86)	-	(6,336.86)
Unamortised borrowing cost	(66.28)	-	(66.28)
Provision for employee Benefits	-	540.84	540.84
Voluntary retirement & Other benefits allowable on amortisation basis	-	55.45	55.45
MAT Credit	-	1,268.10	1,268.10
Unrealised Gain/(loss) on security carried at fair value through P&L/OCI	(9.64)	-	(9.64)
Receivable, loans and advances	-	0.19	0.19
Trade and other payables	(252.16)	-	(252.16)
Others	-	29.29	29.29
<b>Total deferred tax liability</b>	<b>(6,664.94)</b>	<b>1,893.87</b>	<b>(4,771.07)</b>

Significant component of net deferred tax liability and assets for the year ended 31st March 2018 are as follows:

(₹ in lakhs)

Particulars	Opening Balance	Recognised through Profit or loss	Recognised in/ reclassified from other comprehensive income	Other Adjustments	Closing Balance
Property, Plant and Equipment	(6,336.86)	(149.21)	-	-	(6,486.07)
Unamortised borrowing cost	(66.28)	30.91	-	-	(35.37)
Provision for employee Benefits	540.84	22.89	64.85	-	628.58
Voluntary retirement & Other benefits allowable on amortisation basis	55.45	(24.74)	-	-	30.71
MAT Credit	1,268.12	-	-	(62.80)	1,205.32
Unrealised Gain/(loss) on security carried at fair value through P&L/OCI	(9.64)	(5.55)	-	-	(15.19)
Receivable, loans and advances	0.19	(0.01)	-	-	0.18
Trade and other payables	(252.16)	56.02	-	-	(196.14)
Others	29.27	(1.00)	-	-	28.27
<b>Total deferred tax liability</b>	<b>(4,771.07)</b>	<b>(70.69)</b>	<b>64.85</b>	<b>(62.80)</b>	<b>(4,839.71)</b>

Significant component of net deferred tax liability and assets for the year ended 31st March 2017 are as follows:

(₹ in lakhs)

Particulars	Opening Balance	Recognised through Profit or loss	Recognised in/ reclassified from other comprehensive income	Other Adjustments	Closing Balance
Property, Plant and Equipment	(5,799.65)	(537.21)	-	-	(6,336.86)
Unamortised borrowing cost	(100.95)	34.67	-	-	(66.28)
Provision for employee Benefits	518.62	22.22	-	-	540.84
Voluntary retirement & Other benefits allowable on amortisation basis	127.39	(104.29)	32.35	-	55.45
MAT Credit	1,549.38	-	-	(281.26)	1,268.12





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 25 DEFERRED TAX LIABILITIES (NET) (CONTD.)

Significant component of net deferred tax liability and assets for the year ended 31st March 2017 are as follows:

(₹ in lakhs)

Particulars	Opening Balance	Recognised through Profit or loss	Recognised in/ reclassified from other comprehensive income	Other Adjustments	Closing Balance
Unrealised Gain/loss on security carried at fair value through P&L/OCI	(4.77)	(4.87)	-	-	(9.64)
Receivable, loans and advances	(7.23)	7.42	-	-	0.19
Trade and other payables	(261.35)	9.19	-	-	(252.16)
Others	23.06	6.21	-	-	29.27
<b>Total Deferred tax Liability</b>	<b>(3,955.50)</b>	<b>(566.66)</b>	<b>32.35</b>	<b>(281.26)</b>	<b>(4,771.07)</b>

25.1 Other adjustment represents MAT credit utilisation against regular income tax liability.

## 26 NON CURRENT LIABILITY - OTHERS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Advance from Consumers	649.86	2,139.45
Deferred Credit for long term payable	634.69	1,269.39
<b>Total</b>	<b>1,284.55</b>	<b>3,408.84</b>

## 27 CURRENT - BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Secured -From banks			
Repayable on demand -Cash Credit	27.1	7,654.65	8,629.29
Short Term Loan	27.2	2,500.00	2,500.00
Unsecured- From banks			
Short Term Loan		10,000.10	-
From other parties			
Inter Corporate Deposit		-	200.00
<b>Total</b>		<b>20,154.75</b>	<b>11,329.29</b>

27.1 (a) Includes ₹ 2,992.30 lakhs (₹ 2,981.49 lakhs as on March 31, 2017) 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 ₹ 10,000 lakhs as given in note 21.1 (a).

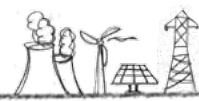
(b) Includes ₹ 2,173.99 lakhs (₹ 2,652.70 lakhs as on March 31, 2017) secured by first charge, ranking pari passu on current assets both present and future..

(c) Include ₹ 1,275.43 lakhs (₹ 2,894.66 lakhs as on March 31, 2017) secured by first pari passu charge on current assets both present and future.

(d) Include ₹ 1,212.93 lakhs (₹ 100.64 lakhs as on March 31, 2017) 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.

27.2 Includes ₹ 2,500 lakhs (₹ 2,500 lakhs as on March 31, 2017) towards working capital demand loan repayable after 6 months from disbursement i.e. January 5, 2018 and is secured by first pari passu charge on current assets of the Company both present & future.





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 28 CURRENT FINANCIAL LIABILITY - TRADE PAYABLE

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
(A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	28.1	15.54	74.35
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006		4,244.38	7,094.74
<b>Total</b>		<b>4,259.92</b>	<b>7,169.09</b>

### 28.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro small and medium 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 dates.

## 29 CURRENT FINANCIAL LIABILITY - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Current Maturity for long term Borrowings	21.1 & 21.2	5,108.96	4,063.81
Interest Accrued but not due on Borrowings		414.20	521.60
Interest on consumer security deposit		439.96	366.83
Security Deposit Received		605.86	623.47
Payable for Purchase of Capital Goods		910.09	152.68
Other Payable		2,014.33	1,403.98
Unpaid/unclaimed dividend	29.1	168.64	78.03
<b>Total</b>		<b>9,662.04</b>	<b>7,210.40</b>

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

## 30 OTHER CURRENT LIABILITY

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Advance from Consumers	163.49	40.45
Statutory Dues Payable	2,044.24	1,933.18
Deferred Credit	634.69	609.31
<b>Total</b>	<b>2,842.42</b>	<b>2,582.94</b>

## 31 CURRENT LIABILITY - PROVISIONS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Provision for Employee Benefits	47	1,459.39	1,314.09
<b>Total</b>		<b>1,459.39</b>	<b>1,314.09</b>

## 32 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Energy	32.1	44,669.68	44,262.94
Other operating revenues	32.2	3,441.67	758.03
<b>Total</b>		<b>48,111.35</b>	<b>45,020.97</b>



# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 32.1.1 Regulatory

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Energy (₹ in lakhs)	39,768.36	38,893.28
Sale of Energy ( in Kwh)	705,155,838	676,739,776

## 32.1.2 Non Regulatory

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Energy (₹ in lakhs)	4,901.32	5,369.66
Sale of Energy ( in Kwh)	121,826,606	133,371,593

## 32.2 Other operating revenues includes

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Meter Rent	27.68	29.18
Delayed payment charges	232.74	617.79
Incentive on wind power generation	53.37	61.02
Liabilities no longer required written back	3,109.40	-
Miscellaneous income	18.48	50.04
<b>Total</b>	<b>3,441.67</b>	<b>758.03</b>

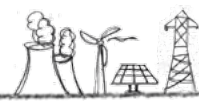
(₹ in lakhs)

## 33 OTHER INCOME

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income on non current investment in Bonds and Securities	33.1	21.57	23.92
Interest Income on Deposits and Others	33.1	1,570.00	614.91
Interest on Income tax refund		48.76	-
Interest income on unwinding of financial instruments		609.56	690.37
Gain on fair valuation of Mutual funds		3.58	24.34
Gain on Foreign Exchange Fluctuation		26.44	-
Dividend Income on non current Investments		10.34	7.53
Profit on sale of non current Investments		-	0.07
Rent Received		9.28	20.47
Insurance Claim received		55.27	-
Depreciation Reversal (net of loss on sale/discard of fixed assets ₹ 7.77 lakhs)	33.2	-	477.92
Misc Receipts		5.77	55.44
Profit on sale of stores/scrap		2.32	-
<b>Total</b>		<b>2,362.89</b>	<b>1,914.97</b>

(₹ in lakhs)



**NOTES ON FINANCIAL STATEMENTS** for the year ended 31st March, 2018

**33.1** Interest income includes ₹ 58.89 lakhs (previous year ₹ 49.18 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:

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Accrued and Received during the year	30.04	13.42
Interest Accrued during the year but not received	28.85	35.76
<b>Total</b>	<b>58.89</b>	<b>49.18</b>

**33.2** As stated in Note 16.1 on handing/taking over certificate of vacant and peaceful possession of Chinakuri Power Station (CPS) was completed on 6th October 2016. Consequent upon this fixed assets and inventory lying in the leased premises at CPS has been adjusted with effect from April 1, 2012 and depreciation already provided from April 1, 2012 has been written back.

**34 ENERGY PURCHASE**

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Energy Purchase	25,209.13	23,280.34
<b>Total</b>	<b>25,209.13</b>	<b>23,280.34</b>

**34.1** Purchase of Energy (in kwh) 678739116 664045103

**34.2** Refer note 42.2 for Claim by one of the input energy supplier for arrear charges.

**35 LEASE RENT**

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Lease Rent of Wind Mill	44.1	4,388.96	4,767.43
<b>Total</b>		<b>4,388.96</b>	<b>4,767.43</b>

**36 EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries and Wages	36.1	4,604.83	3,290.01
Contributions to Provident and other funds		488.26	390.72
Staff Welfare expenses		167.15	154.81
<b>Total</b>		<b>5,260.24</b>	<b>3,835.54</b>

**36.1**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Exclude amounts incurred for work for consumers and capital jobs	25.51	41.29
Include Voluntary Retirement Compensation Paid	33.49	11.59





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 37 FINANCE COSTS

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest	37.1	7,432.04	5,246.96
Other Borrowing Costs		327.74	593.38
<b>Total</b>		<b>7,759.78</b>	<b>5,840.34</b>

**37.1** Interest Nil (previous year ₹ 6,354.03 lakhs) pertaining to project undertaken by Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) being claimed as recoverable as cost thereto, has been netted off.

### 38 DEPRECIATION AND AMORTISATION

(₹ in lakhs)

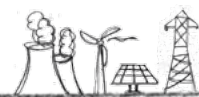
Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation	5	1,648.99	1,692.95
Amortisation	6	31.14	91.72
<b>Total</b>		<b>1,680.13</b>	<b>1,784.67</b>

### 39 OTHER EXPENSES

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumption of Stores and Spare parts		199.57	158.84
Repairs			
Buildings	183.16	83.88	
Machinery	17.72	308.61	
Transmission and Distribution network	181.66	130.96	
Others	213.80	596.34	698.17
Raw water charges		-	0.37
Coal and Ash handling charges		139.72	116.84
Loss on discard/Sale of Fixed Assets (Net)		6.70	-
Rent		4.42	4.37
Rates and Taxes		82.21	46.54
Insurance		51.71	44.34
Auditors' Remuneration			
Audit Fees	14.16	10.00	
For Certification	25.62	39.78	20.05
Loss on Foreign Exchange Fluctuation		-	59.45
Directors' Fees (inclusive of GST of ₹ 2.10 lakhs and service tax ₹ 0.46 lakhs, previous year ₹ 2.56 lakhs)		17.25	19.71
Commission to Directors (inclusive of GST of ₹ 5.94 lakhs, previous year inclusive of service tax ₹ 9.24 lakhs)		38.94	70.71
Allowance for bad and doubtful debts & others (net)	12.4	7.58	17.99
Corporate Social Responsibility		95.51	63.88
Legal and professional expenses		544.47	348.63
Miscellaneous Expense		815.52	750.31
<b>Total</b>		<b>2,639.72</b>	<b>2,430.20</b>





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

**40** Exceptional items of ₹ 4,673.56 lakhs for year ended March 31, 2017 is on account of receipt of ₹ 26,734 lakhs for completion of acquisition of shares of Meenakshi Energy Limited (a subsidiary company) and expenses on account of waiver of ₹ 862 lakhs against LPS receivable from Rajasthan Discom, ₹ 11,630.27 lakhs of interest receivable from IPC(H)L (now known as Hiranmaye Energy Limited) and ₹ 9,568.17 lakhs regulatory accruals, being no longer recoverable. The above items being unrelated to previous year/period operations have been categorised and disclosed as exceptional items.

### 41 TAXES

(a) The major components of income tax expense for the year are as under:

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax:		
- Current year	1,258.00	1,645.63
Deferred tax		
- Current year	70.69	566.66
<b>Total Income tax expenses recognised in Statement of Profit and Loss</b>	<b>1,328.69</b>	<b>2,212.29</b>
(ii) Income tax expense recognised in OCI		
Deferred tax expense on remeasurement of defined benefit plans	64.85	32.35
<b>Income tax expense recognised in OCI</b>	<b>64.85</b>	<b>32.35</b>

(b) Reconciliation of tax expense

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit before tax	3,463.13	6,124.33
Statutory income tax rate of 34.608% (31st March 2017: 34.608%)	1,198.52	2,119.51
Less: Exemptions/Deductions		
Dividend	(3.58)	(2.60)
Add: Non deductible expenses for tax purpose		
CSR expenditure	33.05	22.11
Add/(less) Others	100.70	73.27
<b>At effective income tax rate</b>	<b>1,328.69</b>	<b>2,212.29</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>1,328.69</b>	<b>2,212.29</b>

### 42(a) CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Particulars	Note No.	(₹ in lakhs)	
		31st March, 2018	31st March, 2017
<b>42.1 Contingent Liabilities</b>			
(a) Demand from Sales tax authorities for 2004-05 (Previous year 2004-05 and 2009-10) against which Company's appeal is pending		2.23	8.86
(b) Demand from Service tax authorities for 2008-09 to 2012-13 (Previous year 2008-09 to 2012-13) against which Company's appeal is pending		21.49	21.49
(c) Performance Bank Guarantee	42.4	1,329.00	1,329.00
(d) Standby letter of Credit	42.4	-	934.00
(e) Unexpired Letter of Credit for purchase of power		608.64	1,224.86



# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 42(a) CONTINGENT LIABILITIES AND COMMITMENTS (CONTD.)

(to the extent not provided for)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>42.1 Contingent Liabilities (Contd.)</b>			
(f) Corporate Guarantee	42.5	2,000.00	2,000.00
(g) Bank Guarantee	42.6	-	4,523.40
Bank Guarantee	42.7	1,100.00	1,100.00
Bank Guarantee	42.8	-	48.00
Bank Guarantee	42.9	134.00	-
Bank Guarantee	42.10	289.50	-
Bank Guarantee	42.11	192.07	-
<b>42.2</b> Claim of ₹ 6,437.47 lakhs and ₹ 9,953.87 lakhs by one of the Input Energy Supplier for arrear charges and increase in tariff rate against energy purchased in earlier years and current year respectively for which review petition of input supplier is pending before Tribunal. 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.			
<b>42.3</b> 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 42.1(a) and (b) above are determinable only on receipt of judgement/ decisions pending with various forums/ authorities.			
<b>42.4</b> Given in terms of Distribution Franchise Agreement (DFA) for Distribution of electricity which is being carried on by India Power Corporation (Bodhgaya) Limited, a wholly owned subsidiary.			
<b>42.5</b> Given to Bank for credit facility availed by wholly owned Subsidiary India Power Corporation (Bodhgaya) Limited.			
<b>42.6</b> Given to Bank for credit facility availed by Meenakshi Energy Limited, a Subsidiary.			
<b>42.7</b> Given on behalf of Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited), for standby power purchase.			
<b>42.8</b> Given on behalf of IPCL Power Trading Private Limited, a subsidiary for power supply to TS Discoms.			
<b>42.9</b> Given on behalf of India Uniper Power Services Private Limited a Joint venture of the Company.			
<b>42.10</b> Given to the Deputy Commissioner, Appeals, Commercial Taxes, Alwar Rajasthan as security deposit for tax dispute in appeal.			
<b>42.11</b> Given to West Bengal State Electricity Transmission Company Limited for construction of 220 kv transmission line for LILO of STPS-Durgapur 220 kv S/C line at JK Nagar.			

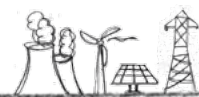
## 42(b) COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 233.36 lakhs, ₹ 33.43 lakhs as on March 31, 2017).

2,785.15

966.20





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

**42(c)** The Company had given Corporate Guarantee on 23rd September, 2016 in favour of lenders of Meenakshi Energy Limited (MEL) for the loan amount ₹ 281,836.43 lakhs (₹ 284,484.92 lakhs as on March 31, 2017) subject to WBERC approval. WBERC has declined the approval vide their letter dated November 10, 2017, which has been accordingly intimated to the lenders. Accordingly the lenders of MEL were informed that the Corporate Guarantee given earlier is void.

Lenders of MEL on 20th December, 2017 demanded ₹ 93.58 crores from IPCL against the Corporate Guarantee which is sub-judice.

**42(d)** Corporate guarantees given in 42.1 (f) and 42 (c) above are in the nature of insurance contract.

**43** Capital work in progress including contributory jobs includes cost of equipments and other civil and construction cost amounting to ₹ 3,656.34 lakhs (₹ 1,414.68 lakhs as on March 31, 2017) for ongoing projects and pre-operative expenses as detailed below. These are allocated to respective assets on capitalisation.

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Brought forward from Previous year	92.62	30.96
Interest expense	19.93	-
Salaries and wages	40.87	43.83
Vehicle running	22.55	-
Consultancy charge	26.67	60.82
Miscellaneous	10.60	23.23
	213.24	158.84
Less: Allocated to fixed assets	51.44	66.22
<b>Carried forward</b>	<b>161.80</b>	<b>92.62</b>

### 44 IN THE CAPACITY OF LESSEE

**44.1** Certain premises has been obtained on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

**44.2** The Company has taken certain plant and machinery on an operational lease basis.

Significant features of aforesaid lease arrangements are as follows:

- The Company will pay the lease rent over the lease period. The lease rent is calculated 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.

**44.3** The Company has taken certain land on Finance Lease. Carrying value of land taken on lease is ₹ 1,397.17 lakhs ( ₹ 1,402.18 lakhs as on March 31, 2017). The Company is scheduled to pay lease rental as follows:

(₹ in lakhs)

Particulars	31st March, 2018	Present Value of MLP	31st March, 2017	Present Value of MLP
(i) Not later than one year	2.73	-	2.73	-
(ii) Later than One year and not later than 5 years	10.94	0.02	10.94	0.02
(iii) Later than 5 years	162.34	20.67	165.07	20.68



## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

**44.4** The Company has not made any sublease arrangement with other parties.

**44.5** The Company has recognised an amount of ₹ 4,388.96 lakhs (previous year ₹ 4,767.43 lakhs) towards lease rent (Refer note 35) and ₹ 4.42 lakhs (previous year ₹ 4.37 lakhs) for rent of premises (Refer note 39) for the year.

### 44.6 In the Capacity of Lessor

The Company had certain operating lease arrangements for office premises for 5 years, which has been terminated during the year. In respect of such arrangements, lease earning for the year aggregating to ₹ 5.54 lakhs (Previous year ₹ 13.35 lakhs) have been recognised in the Statement of Profit and Loss.

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
(i) Not later than one year	-	13.59
(ii) Later than One year and not later than 5 years	-	10.97
(iii) Later than 5 years	-	-

## 45 RELATED PARTY DISCLOSURES

Related parties have been identified in terms of Ind AS 24 on "Related Party Disclosure" as listed below :

### List of Related Parties where control exists

Name of the Related Party	Relationship
India Power Corporation (Bodhgaya) Limited	Wholly owned Subsidiary
IPCL Pte. Ltd.	Wholly owned Subsidiary
IPCL Power Trading Private Limited	Subsidiary
India Power Green Utility Private Limited	Wholly owned Subsidiary
Matsya Shipping & Ports Private Limited	Wholly owned Subsidiary w.e.f. 19th February 2016 and Joint Venture w.e.f. 27th March 2017
Meenakshi Energy Limited	Subsidiary w.e.f. 30th September 2016
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	Subsidiary upto 30th March 2017 and Associate w.e.f. 31st March 2017 upto 29th December 2017
India Uniper Power Services Private Limited	Wholly owned Subsidiary from 2nd August 2016 to 5th January 2017 and Joint Venture w.e.f. 6th January 2017
Edison Power Limited	Subsidiary of IPCL Pte. Limited upto 27th June, 2017
PL Sunrays Power Limited	Subsidiary of India Power Green Utility Private Limited w.e.f. 23rd February, 2017
PL Solar Renewable Limited	Subsidiary of India Power Green Utility Private Limited w.e.f. 23rd February, 2017
PL Surya Vidyut Limited	Subsidiary of India Power Green Utility Private Limited w.e.f. 23rd June, 2017

Key Management Personnel	Relationship
Mr. Hemant Kanoria	Chairman & Non Executive Director
Mr. Raghav Raj Kanoria	Managing Director w.e.f. 1st June, 2017
Mr. Sunil Kanoria	Non - Executive Director up to 11th August, 2017 & Vice - Chairman w.e.f. 12th August, 2017
Mr. Jyoti Kumar Poddar	Non - Executive Director







## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 45 RELATED PARTY DISCLOSURES (CONTD.)

Key Management Personnel	Relationship
Mr. Nand Gopal Khaitan	Independent Director
Mr. Amit Kiran Deb	Independent Director
Mr. Debi Prasad Patra	Independent Director
Mr. Tantra Narayan Thakur	Independent Director
Mr. S. Sundareshan	Independent Director
Ms. Dipali Khanna	Independent Director
Mr. Asok Kumar Goswami	Whole time Director
Mr. Shrirang Karandikar	Chief Executive Officer up to 31st August, 2017
Mr. Sanjeev Seth	Chief Executive Officer w.e.f. 1st September, 2017
Mr. Laxmi Narayan Mandhana	Chief Financial Officer upto 18th July, 2016
Mr. Sushil Kr. Agarwal	Chief Financial Officer w.e.f. 6th December, 2016
Mr. Prashant Kapoor	Company Secretary

### 45.1 Balances outstanding of Subsidiaries, Joint Ventures and Associate

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Outstanding Balance</b>			
<b>Loans Given</b>			
India Power Corporation (Bodhgaya) Limited		272.12	25.00
IPCL Pte. Ltd.		418.64	337.55
Matsya Shipping & Ports Private Limited		5.00	5.00
IPCL Power Trading Private Limited		-	170.00
Meenakshi Energy Limited		3,069.00	6,364.00
India Power Green Utility Private Limited		820.50	464.00
<b>Investments</b>			
<b>Equity</b>			
India Power Corporation (Bodhgaya) Limited		10.00	10.00
IPCL Pte. Ltd.		5.94	5.94
IPCL Power Trading Private Limited		520.00	520.00
India Power Green Utility Private Limited		11.00	11.00
Matsya Shipping & Ports Private Limited		0.50	0.50
India Uniper Power Services Private Limited		352.50	352.50
Meenakshi Energy Limited		10,023.41	0.01
<b>Compulsorily Convertible Preference Shares</b>			
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)		-	30,682.70
<b>Receivable Others</b>			
India Power Corporation (Bodhgaya) Limited		60.29	34.33
IPCL Power Trading Private Limited		1.39	2.12
<b>Interest Receivable</b>			
India Power Corporation (Bodhgaya) Limited		16.37	-
IPCL Pte. Ltd.		34.27	24.90



## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 45.1 Balances outstanding of Subsidiaries, Joint Ventures and Associate (Contd.)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Matsya Shipping & Ports Private Limited		0.65	-
India Uniper Power Services Private Limited		-	0.59
India Power Green Utility Private Limited		24.19	5.91
Meenakshi Energy Limited		59.03	79.29
<b>Interest Payable</b>			
IPCL Power Trading Private Limited		57.32	18.93
<b>Security Deposit</b>			
IPCL Power Trading Private Limited		500.00	500.00
<b>Advance</b>			
Meenakshi Energy Limited		25.42	35.59
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)		-	46.67
<b>Bank Guarantee Outstanding</b>			
India Power Corporation (Bodhgaya) Limited	42.4	1,329.00	2,263.00
Meenakshi Energy Limited	42.6	-	4,523.40
IPCL Power Trading Private Limited	42.8	-	48.00
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	42.7	-	1,100.00
India Uniper Power Services Private Limited	42.9	134.00	-
<b>Corporate Guarantee Outstanding</b>			
India Power Corporation (Bodhgaya) Limited	42.5	2,000.00	2,000.00
Meenakshi Energy Limited	42 (c)	281,836.43	284,484.92

### 45.2 Details of Transactions with Subsidiaries, Joint Venture and Associates during the year

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Loan given</b>		
India Power Corporation (Bodhgaya) Limited	3,834.12	261.00
IPCL Pte Limited	30.45	9.02
Matsya Shipping & Ports Private Limited	-	5.00
India Uniper Power Services Private Limited	-	40.00
IPCL Power Trading Private Limited	6,332.00	570.00
Meenakshi Energy Limited	7,103.40	6,364.00
India Power Green Utility Private Limited	510.42	464.00
<b>Loan repaid</b>		
India Power Corporation (Bodhgaya) Limited	3,587.00	714.00
IPCL Power Trading Private Limited	6,502.00	400.00
India Uniper Power Services Private Limited	-	40.00
India Power Green Utility Private Limited	153.92	-
Meenakshi Energy Limited	375.00	-



**NOTES ON FINANCIAL STATEMENTS** for the year ended 31st March, 2018**45.2 Details of Transactions with Subsidiaries, Joint Venture and Associates during the year (Contd.)**

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Advance given</b>		
India Uniper Power Services Private Limited	34.49	31.02
Matsya Shipping & Ports Private Limited	-	3.00
Meenakshi Energy Limited	26.77	52.52
IPCL Power Trading Private Limited	169.61	50.00
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	-	46.67
<b>Advance received</b>		
India Power Corporation (Bodhgaya) Limited	-	948.00
<b>Inter Corporate deposit received</b>		
IPCL Power Trading Private Limited	8,076.00	1,150.00
<b>Refund of advance given</b>		
India Uniper Power Services Private Limited	34.49	31.02
Matsya Shipping & Ports Private Limited	-	3.00
Meenakshi Energy Limited	36.94	16.93
IPCL Power Trading Private Limited	-	50.00
<b>Refund of advance received</b>		
India Power Corporation (Bodhgaya) Limited	-	948.00
<b>Inter Corporate deposit refund</b>		
IPCL Power Trading Private Limited	8,076.00	1,150.00
<b>Investment in equity shares</b>		
India Uniper Power Services Private Limited	-	355.00
Meenakshi Energy Limited	10,023.40	0.01
<b>Investment in Fully and Compulsorily Convertible Debenture (FCCD)</b>		
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	-	20,510.00
<b>Interest income</b>		
India Power Corporation (Bodhgaya) Limited	18.78	11.59
IPCL Pte. Ltd.	34.27	28.51
Matsya Shipping & Ports Private Limited	0.65	-
India Uniper Power Services Private Limited	-	0.59
Meenakshi Energy Limited	979.13	79.29
India Power Green Utility Private Limited	95.07	5.91
IPCL Power Trading Private Limited	40.13	2.12
<b>Others Recoverable</b>		
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	-	6,354.03
<b>Sale of store materials</b>		
India Power Corporation (Bodhgaya) Limited	18.57	11.14
<b>Interest expense</b>		
IPCL Power Trading Private Limited	100.08	42.50



## NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 45.2 Details of Transactions with Subsidiaries, Joint Venture and Associates during the year (Contd.)

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Power Purchase and Subscription</b>		
IPCL Power Trading Private Limited	8,266.54	-
Meenakshi Energy Limited	1,203.81	-
Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	834.74	-
<b>Reimbursement against expense</b>		
India Power Corporation (Bodhgaya) Limited	22.04	19.48
India Uniper Power Services Private Limited	0.81	-
IPCL Power Trading Private Limited	1.39	0.37

### 45.3 Details of transactions with Key Management Personnel during the year

(₹ in lakhs)

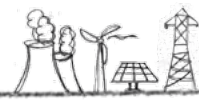
	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Remuneration to Key Management Personnel of the Company</b>		
Short term employee benefits	365.32	180.77
Post employment benefit	5.26	2.37
Long term employment benefit	7.01	12.70
<b>Director sitting fee</b>	14.70	17.15
<b>Director commission</b>	33.00	61.47

## 46 EARNINGS PER SHARE

(₹ in lakhs)

Particulars	Basic and Diluted excluding Regulatory income/(expense)		Basic and Diluted including Regulatory income/(expense)	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Profit after tax (₹ in lakhs)	1,091.36	5,453.43	2,134.44	3,912.04
Number of Equity Shares	973,789,640	973,789,640	973,789,640	973,789,640
Number of equity shares in Share Capital Suspense Account (Note 4.1)	604,143,449	604,143,449	604,143,449	604,143,449
Total Number of Shares	1,577,933,089	1,577,933,089	1,577,933,089	1,577,933,089
Earning per share (Basic and Diluted) (₹)	0.07	0.35	0.14	0.25
Face Value per equity share (₹)	1	1	1	1





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 47 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 (LIC), 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 ₹ 20.00 lakhs. Vesting occurs upon completion of five years of service.

The weighted average duration of the defined benefit obligation as on March 31, 2018 is 7 years (March 31, 2017 6.65 years).

### Post Retirement Obligation - 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 LIC. 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.

The weighted average duration of the defined benefit obligation as on March 31, 2018 is 1 year (March 31, 2017 1.83 years).

### Post Retirement Obligation - Lump sum payment in lieu of Pension (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.

The weighted average duration of the defined benefit obligation as on March 31, 2018 is 5 years (March 31, 2017 9.35 years).

## 47.1 Employee benefit obligation

(₹ in lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-current	Current	Non-current
Gratuity (funded)	1,425.31	-	1,242.13	-
Superannuation (funded)	17.25	-	13.03	-
Pension	3.45	50.69	5.07	33.85
<b>Total</b>	<b>1,446.01</b>	<b>50.69</b>	<b>1,260.23</b>	<b>33.85</b>

## 47.2 Reconciliation of opening and closing balances of the present value of defined benefit obligations

(₹ in lakhs)

Particulars	Funded				Unfunded	
	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Opening balance	1,311.61	1,305.43	20.91	15.51	38.92	41.85
Current service cost	69.69	62.88	-	-	1.84	1.32
Interest cost	84.07	93.59	1.31	1.13	2.45	3.00
Plan amendments	30.83	-	-	-	-	-
Actuarial (gain)/loss	170.25	48.35	3.40	4.27	20.05	(0.65)
Benefits paid	(196.97)	(198.64)	-	-	(9.12)	(6.60)
Closing balance	<b>1,469.48</b>	<b>1,311.61</b>	<b>25.62</b>	<b>20.91</b>	<b>54.14</b>	<b>38.92</b>





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 47.3 Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Opening balance	69.48	50.45	7.88	20.08
Expected return on Plan Assets	3.54	20.36	0.49	1.46
Actuarial gain/(loss)	8.11	(27.85)	-	(13.66)
Contribution	160.02	225.16	-	-
Benefits paid	(196.98)	(198.64)	-	-
Closing balance	44.17	69.48	8.37	7.88

### 47.4 Amount recognised in Balance Sheet

(₹ in lakhs)

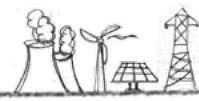
Particulars	Funded				Unfunded	
	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Present value of obligation	(1,469.48)	(1,311.61)	(25.62)	(20.91)	(54.14)	(38.92)
Fair Value of Plan Assets	44.17	69.49	8.37	7.88	-	-
Net Asset/(Liability)	(1,425.31)	(1,242.12)	(17.25)	(13.03)	(54.14)	(38.92)

### 47.5 Amount recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Current service cost	69.69	62.88	-	-	1.84	1.32
Past Service Cost- Plan Amendment	30.83	-	-	-	-	-
Interest cost	84.07	93.60	1.31	1.13	2.45	2.99
Expected return on Plan Assets	(3.54)	(20.36)	(0.49)	(1.46)	-	-
Recognised in Profit and Loss Account	181.05	136.12	0.82	(0.33)	4.29	4.31
Under	Contribution to Provident and Other Funds				Salaries, Wages and Bonus	



**NOTES ON FINANCIAL STATEMENTS** for the year ended 31st March, 2018**47.6 Amount recognised in the statement of Other Comprehensive Income**

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Net Cumulative unrecognised actuarial (gain)/ loss opening	465.14	388.94	90.73	72.79	11.81	12.46
Experience adjustments on Plan Assets (Gains)/ Loss	(8.11)	27.85	-	13.66	-	-
Actuarial (gain)/ loss for the year	170.25	48.35	3.40	4.28	20.05	(0.65)
Unrecognised actuarial (Gain)/ Loss at the end of the year	627.28	465.14	94.13	90.73	31.86	11.81

**47.7 Experience adjustment on Plan Liabilities and Assets**

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Defined benefit obligations	1,469.48	1,311.61	25.62	20.91	54.14	38.92
Plan assets	44.17	69.49	8.37	7.88	-	-
Surplus/(Deficit)	(1,425.31)	(1,242.12)	(17.25)	(13.03)	(54.14)	(38.92)
Experience adjustments on Plan liabilities (Gains)/Loss	93.27	(3.42)	3.71	1.31	21.30	(1.86)
Experience adjustments on Plan Assets Gains/ (Loss)	(8.11)	27.85	-	13.66	-	-
Actuarial (gain)/loss on Plan liabilities due to change of assumptions	76.98	51.77	(0.31)	2.96	(1.25)	1.22

**47.8 Breakup of Actuarial (gain)/loss**

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	76.98	51.77	(0.31)	2.96	(1.25)	1.22
Actuarial (gain)/loss on arising from experience adjustment	93.27	(3.42)	3.71	1.31	21.30	(1.86)
Total	170.25	48.35	3.40	4.27	20.05	(0.64)



# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 47.9 Sensitivity analysis

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Impact of the change in discount rate</b>						
-increase of 1 %	(86.26)	(58.44)	(0.24 )	-	(2.43)	(1.25)
-decrease of 1 %	97.18	68.02	0.23	-	2.67	1.41
<b>Impact of the change in salary increase</b>						
-increase of 1 %	97.91	68.03	0.25	-	-	-
-decrease of 1 %	(88.76)	(58.32)	(0.25)	-	-	-
<b>Impact of change in withdrawal rate</b>						
-increase of 2 %	2.83	63.01	-	-	-	1.33
-decrease of 2 %	(3.02)	(62.75)	-	-	-	(1.33)
<b>Impact of Change in Mortality rate</b>						
-increase of 10 %	0.79	62.94	0.01	-	0.05	1.33
-decrease of 10 %	(0.79)	(62.82)	(0.01)	-	(0.05)	(1.32)

Gratuity fund is maintained with LIC and HDFC and Superannuation fund is maintained with LIC

## 47.10 Principal Actuarial Assumptions used for estimating the Company's Defined benefit obligations are set out below:

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Discount Rate	7.60	6.93	7.60	6.26	7.60	7.12
Expected rate of increase in salary	5.00	3.50	5.00	3.50	-	-
Expected rate of return of plan assets	7.60	6.93	7.60	6.26	-	-
Mortality rate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate

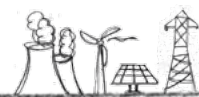
\*IALM- Indian Assured Lives Mortality

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**47.11** 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.

**48** During the year ₹ 284.88 lakhs has been recognised as expenditure towards defined contribution plans of the Company (previous year ₹ 231.46 lakhs)





## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

49 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 Indian Accounting Standard (Ind- AS) 108 "Operating Segments" is not required. The Company operates only in India, hence additional information under geographical segments is also not applicable.

### 50 FINANCIAL INSTRUMENT - (FINANCIAL ASSETS AND FINANCIAL LIABILITIES)

#### 50.1 Categories of Financial Instruments

Details with respect to financial assets and financial liabilities are as follows:

(₹ in lakhs)

Particulars	31st March, 2018			31st March, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
<b>Investments</b>						
- Equity Investments (other than in Subsidiaries and Joint Venture)	-	285.95	-	-	279.55	-
- Bonds and Debentures	-	2.50	209.05	-	2.50	209.05
- Mutual Funds	179.34	-	-	172.47	-	-
- Government Securities	-	-	2.92	-	-	2.92
Trade Receivables	-	-	5,585.34	-	-	5,952.48
Loans	-	-	6,170.84	-	-	7,791.89
Cash and Cash Equivalents	-	-	967.76	-	-	782.82
Fixed Deposit	-	-	1,843.12	-	-	6,632.52
Beneficial Interest in Power Trust	-	81,871.84	-	-	81,878.04	-
Receivable Others	-	-	52,159.90	-	-	21,519.29
Accrued Interest	-	-	198.49	-	-	342.41
<b>Total Financial Assets</b>	<b>179.34</b>	<b>82,160.29</b>	<b>67,137.42</b>	<b>172.47</b>	<b>82,160.09</b>	<b>43,233.38</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	59,397.15	-	-	54,787.99
Trade Payables	-	-	7,868.46	-	-	10,388.42
Consumer Advances	-	-	2,717.29	-	-	2,424.21
Others	-	-	13,058.93	-	-	10,572.68
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>83,041.83</b>	<b>-</b>	<b>-</b>	<b>78,173.30</b>

#### 50.2 Fair Value Hierarchy

The Company categorises assets and liabilities measured at fair value into one of the three levels depending on the ability to observe inputs employed in their measurements.



# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 50.2 Fair Value Hierarchy (Contd.)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on recurring basis.

### (a) Financial Assets and Liabilities measured at Fair Value

(₹ in lakhs)

At 31st March, 2018	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	31-03-2018	179.34	-	-	179.34
<b>Financial Investment at FVTOCI</b>					
Listed Equity Investment	31-03-2018	245.36	-	-	245.36
Unquoted Equity Instruments	31-03-2018	-	-	40.59	40.59
Bonds and debentures	31-03-2018	-	-	2.50	2.50
Beneficial Interest in Power Trust	31-03-2018	-	-	81,871.84	81,871.84
<b>Total Financial Assets</b>		<b>424.70</b>	<b>-</b>	<b>81,914.93</b>	<b>82,339.63</b>

At 31st March, 2017	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	31-03-2017	172.47	-	-	172.47
<b>Financial Investment at FVTOCI</b>					
Listed Equity Investment	31-03-2017	242.21	-	-	242.21
Unquoted Equity Instruments	31-03-2017	-	-	37.34	37.34
Bonds and debentures	31-03-2017	-	-	2.50	2.50
Beneficial Interest in Power Trust	31-03-2017	-	-	81,878.04	81,878.04
<b>Total Financial Assets</b>		<b>414.68</b>	<b>-</b>	<b>81,917.88</b>	<b>82,332.56</b>

During the year ended March 31, 2018 and March 31, 2017 there were no transfer between level 1, level 2 and level 3 fair value measurement.

### b) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- (i) The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and current borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised cost in the financial statements approximates their fair values.
- (ii) Non-current borrowing has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value of such non-current borrowings approximates fair value subject to adjustments made for transaction cost.
- (iii) Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.







## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 50.2 Fair Value Hierarchy (Contd.)

- (iv) Valuation of Beneficial Interest in Power Trust has been arrived by adopting Discounted Free Cash Flow method (DCF) and Profit Earning capacity value method (PECV) with respect to investment held by them. Due weightage has been given by the valuer to the methods adopted. The DCF method estimates the cash flows for each financial period included in the period for projections and discounts this to its present value at an appropriate weighted average cost of capital (WACC). Under PECV method, the equity is valued by multiplying the future maintainable earnings by an appropriate Price / Earnings (P/E) multiple. The valuation is based on the assumptions and estimates considered appropriate by the valuer.
- (v) Fair Value for valuation of unquoted equity instruments is arrived at historical Net Asset Value (NAV) based on the financial statements of the respective companies.

#### c) Significant Unobservable Inputs used in Level 3 Fair Values

As at March 31, 2018	Significant Unobservable Inputs	Sensitivity of input to fair value measurement
(i) Fair valuation of unquoted Equity instruments	Historical NAV	Increase in book value by 10% will have a positive impact of ₹ 4.05 lakhs
		Decrease in book value by 10% will have a negative impact of ₹ 4.05 lakhs
(ii) Fair valuation of Beneficial Interest in Power Trust	Forecast Revenue	Increase in revenue by 10% will have a positive impact of ₹ 116,871 lakhs
		Decrease in revenue by 10% will have a negative impact of ₹ 40,845 lakhs
	Discount factor and P/E multiple	Increase in discount rate by 1% will have a negative impact of ₹ 63,205 lakhs
		Decrease in discount rate by 1% will have a positive impact of ₹ 92,987 lakhs

### 50.3 Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
<b>Investments</b>				
Bonds and Debentures	211.97	211.97	211.97	211.97
Trade Receivable	5,585.34	5,585.34	5,952.48	5,952.48
<b>Loans</b>				
Loan to related parties	4,585.26	4,585.26	7,365.55	7,365.55
Loans to employees	26.18	26.18	22.64	22.64
Loan to Others	1,156.00	1,156.00	-	-
Receivable Others	52,159.50	52,159.50	21,518.94	21,518.94
Cash & Cash Equivalent	1,136.51	1,136.51	860.96	860.96
Fixed Deposit	1,674.37	1,674.37	6,554.38	6,554.38
Security deposits	403.80	403.80	404.05	404.05
Accrued Interest	198.49	198.49	342.41	342.41
<b>Total financial assets</b>	<b>67,137.42</b>	<b>67,137.42</b>	<b>43,233.38</b>	<b>43,233.38</b>
<b>Financial liabilities</b>				
Borrowings	59,397.15	59,397.15	54,787.99	54,787.99
Trade Payable	7,868.46	7,868.46	10,388.42	10,388.42
Others	13,058.93	13,058.93	10,572.68	10,572.68
Consumer Advances	2,717.29	2,717.29	2,424.21	2,424.21
<b>Total financial liabilities</b>	<b>83,041.83</b>	<b>83,041.83</b>	<b>78,173.30</b>	<b>78,173.30</b>



## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2018

### 51 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks – credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

#### 51.1 Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables). The Company's exposure to credit risk is influenced mainly by the individual characteristic of each consumer and the concentration of risk from the top few consumers.

The Company extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per terms of Power Purchase agreement (PPA) entered with DISCOMS for non regulatory business. Consumers outstanding are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business is covered with PPA with government undertakings and in case of regulated business outstanding are as governed by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No objection certificate" from the Company. The Company has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent. (refer note no. 12.2)

Credit risk pertaining to regulatory receivables have been dealt with in note no. 18.1

#### 51.2 Liquidity Risk

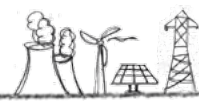
The Company objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on borrowing and internal accruals to meet its need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs.

The table provides undiscounted cash flow towards non -derivative financial liabilities and net settled derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

(₹ in lakhs)

Particulars	Upto 6 month	6 to 12 Months	Above 12 months	Total
<b>As at 31st March 2018</b>				
Interest bearing Borrowings (including current maturity)				
- Principal	22,602.57	3,590.21	38,437.44	64,630.22
- Interest	1,958.25	1,260.97	3,438.87	6,658.09
Finance lease obligation	2.73	-	173.28	176.01
Trade and other payables	3,324.87	249.56	4,294.03	7,868.46
Other financial liabilities	1,350.05	1,020.06	8,297.15	10,667.26
<b>Total</b>	<b>29,238.47</b>	<b>6,120.80</b>	<b>54,640.77</b>	<b>90,000.04</b>
<b>As at 31st March 2017</b>				
Interest bearing Borrowings (including current maturity)				
- Principal	12,263.32	3,196.58	43,595.38	59,055.28
- Interest	2,620.12	2,395.29	23,144.84	28,160.25
Finance lease obligation	2.73	-	176.01	178.74
Trade and other payables	6,292.72	335.99	3,759.71	10,388.42
Other financial liabilities	648.39	1,016.19	7,268.50	8,933.08
<b>Total</b>	<b>21,827.28</b>	<b>6,944.05</b>	<b>77,944.44</b>	<b>106,715.77</b>





# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 51.2 Liquidity Risk (Contd.)

### Unused Lines of Credit

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured	1,831.35	25,590.39
<b>Total</b>	<b>1,831.35</b>	<b>25,590.39</b>

In terms of loan agreement the Company is required to fulfil specified covenants including maintaining debt service and other ratios, and failing which the lender has option to call back the loan.

The Company has current financial assets which will be realised in ordinary course of business. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

## 51.3 Market Risk

The Company does not have any material market risk.

## 51.4 Interest rate risk

### (i) Interest rate risk exposure

Interest rate exposure of the Company is mainly on Borrowing from Banks, which is linked to marginal cost of fund based lending rate (MCLR) of bank's lending and the Company does not foresee any risk on the same. Non Convertible Debentures were issued at fixed rate of interest and Inter Corporate Deposits were taken on fixed rate of interest.

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Variable rate borrowings	56,573.58	48,780.89
Fixed rate borrowings	7,910.35	10,048.72
<b>Total borrowings</b>	<b>64,483.93</b>	<b>58,829.61</b>

### Interest Rate of Borrowing

(₹ in lakhs)

Particulars	Total Borrowing	Floating Rate Borrowings	Fixed Rate Borrowing
<b>As at 31st March 2018</b>			
Secured	54,483.83	46,573.48	7,910.35
Unsecured	10,000.10	10,000.10	-
<b>Total</b>	<b>64,483.93</b>	<b>56,573.58</b>	<b>7,910.35</b>
<b>As at 31st March 2017</b>			
Secured	58,629.61	48,780.89	9,848.72
Unsecured	200.00	-	200.00
<b>Total</b>	<b>58,829.61</b>	<b>48,780.89</b>	<b>10,048.72</b>



# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 51.4 Interest rate risk (Contd.)

### (ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	Impact on profit before tax	
	31st March, 2018	31st March, 2017
Interest rates – increase by 50 basis points	(282.87)	(243.90)
Interest rates – decrease by 50 basis points	282.87	243.90

## 51.5 Capital Management

### Risk Management

For the purpose of the Company's capital management, capital includes issued equity share capital, share capital suspense account and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Borrowings	64,506.11	58,851.80
Less: Cash and cash equivalents	967.76	782.82
Net debt (A)	63,538.35	58,068.98
Total equity	1,14,119.11	1,11,987.33
Total equity plus net debts	1,77,657.46	1,70,056.31
<b>Gearing ratio (A/B)</b>	<b>36%</b>	<b>34%</b>

Refer note 20.4 (b) for General Reserve arising on amalgamation which is included for arriving at total equity

**52** These financial statements has been approved and adopted by Board of Directors of the Company in their meeting dated May 29, 2018 for issue to the shareholders for their adoption.

**53** Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary to make them comparable with those of current year.

As per our report on even date  
 For **S.S. Kothari Mehta & Co**  
 Chartered Accountants  
 Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
 Partner  
 Membership No. 095960

**Raghav Raj Kanoria**  
 Managing Director  
 (DIN:07296482)

**A.K. Goswami**  
 Whole Time Director  
 (DIN:03331661)

**Amit Kiran Deb**  
 Director  
 (DIN:02107792)

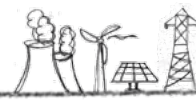
Place: Kolkata/New Delhi  
 Date: 29th May, 2018

**Sushil Kr. Agarwal**  
 Chief Financial Officer

**Prashant Kapoor**  
 Company Secretary

**Sanjeev Seth**  
 Chief Executive Officer





# INDEPENDENT AUDITOR'S 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 consolidated financial statements of India Power Corporation Limited (Formerly DPSC Limited) ("Holding Company") and its subsidiaries (together, 'the Group') and its joint ventures, which comprise the consolidated balance sheet as at 31st March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (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 (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. 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 have been used for the purpose of preparation of the consolidated financial statements by the Board of 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 auditor's 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 financial 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 Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors 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 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 consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 including the Ind AS, of the consolidated financial position of the Group and its Joint Ventures, as at 31st March, 2018 and their consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

Attention is invited to Note No. 9.2 of the consolidated financial statements regarding the beneficial interest in Power Trust amounting to ₹ 81,871.84 Lakhs, considered as financial asset. In absence of required details, the trust being an independent entity, value of the said asset (beneficial interest) as considered has been taken based on report of an independent firm of chartered accountant appointed by the Power Trust, and the same has been relied upon for the purpose of these accounts and our opinion thereupon.

We draw attention to Note No. 33.2.1 of the consolidated financial statements regarding recognition of ₹ 4,097.28 Lakhs towards compensation on curtailment of power by the subsidiary Company, Meenakshi Energy Limited.

We draw attention to Note No. 41(b) of the consolidated financial statements regarding pending confirmation from the lenders of phase I, credit for higher interest charged by them amounting to ₹ 31,314.81 Lakhs (including ₹ 3,749.38 Lakhs for the year) has been taken in the books of accounts as an exceptional item by the subsidiary Company, Meenakshi Energy Limited.

Our opinion is not modified in respect of the said matter.





# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## OTHER MATTERS

We did not audit the financial statements/financial information of 9 subsidiaries (including 4 step down subsidiaries) included in these consolidated financial statements whose financial statements reflect total assets of ₹ 769,457.98 lakhs as at March 31, 2018, total revenues of ₹ 79,705.65 lakhs, total net loss after tax of ₹ 358.41 lakhs and total comprehensive loss of ₹ 342.91 lakhs for the year ended March 31, 2018, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 87.53 lakhs and total compressive income of ₹ 86.57 lakhs for the year ended March 31, 2018 as considered in the consolidated financial statements in respect of 2 Joint Ventures whose Financial Statements have not been audited by us. The Financial Statements of the Subsidiaries (including step down subsidiaries except 1) and the Joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and Joint Ventures, is based solely on the reports of the other auditors. The financial statement of one step down subsidiary (up to June 27, 2017) are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this step down subsidiary is based solely on the unaudited financial statement. In our opinion and according to the information and explanations given to us by the management, this financial statement is not material to the Group. Our opinion is not modified in this respect.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- 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 statements.
- 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 reports of the other Auditors.
- The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated Cash Flow Statement and consolidated statement of changes in equity 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.

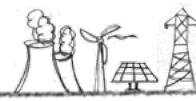
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director of that Company in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- 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 and based on the consideration of the report of the other auditors on separate financial statements as also other financial information of the subsidiaries and joint ventures as noted in the "Other Matter" paragraph:
  - the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and Joint Ventures. Refer Note 43(a) to the consolidated financial statements;
  - the Group and the Joint Ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - 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, there were no amount which were required to be transferred to Investor Education and Protection Fund by the Company.

For **S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

Place: New Delhi  
Date: 29th May 2018

**Neeraj Bansal**  
Partner  
Membership No. 095960





## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED) (COMPANY) DATED 29TH MAY 2018

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section of our report referred above**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, We have audited the internal financial controls over financial reporting of India Power Corporation Limited (Formerly DPSC Limited) (hereinafter referred to as "Holding Company") and its subsidiary companies (collectively referred to as "Group") and Joint Ventures, 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 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 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 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") 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability

of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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, the holding company and its subsidiary companies and joint ventures which are companies incorporated in India, have, 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, 2018, 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.

### OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiaries and joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner  
Membership No. 095960

Place: New Delhi  
Date: 29th May 2018



# CONSOLIDATED BALANCE SHEET

as at 31st March 2018

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	183,969.02	192,007.59
(b) Capital work in progress		511,688.23	421,031.63
(c) Other intangible assets	6	5,771.41	3,593.46
(d) Intangible assets under development		444.33	44.30
(e) Financial assets			
(i) Investments	7.1	1,032.92	31,645.78
(ii) Loans	8	171.67	199.10
(iii) Other financial assets	9	83,651.68	83,653.95
(f) Other non-current assets	10	15,659.20	21,879.80
<b>Total Non-current assets</b>		<b>802,388.46</b>	<b>754,055.61</b>
<b>Current assets</b>			
(a) Inventories	11	7,425.13	8,379.23
(b) Financial assets			
(i) Investments	7.2	36,901.64	107,007.17
(ii) Trade receivables	12	24,569.91	20,764.48
(iii) Cash and cash equivalents	13	2,709.20	6,200.40
(iv) Other bank balances	14	9,981.93	11,876.26
(v) Loans	15	1,596.10	1,039.36
(vi) Other financial assets	16	86,977.25	55,156.79
(c) Other current assets	17	16,009.26	10,111.53
<b>Total Current assets</b>		<b>186,170.42</b>	<b>220,535.22</b>
<b>Regulatory deferral account debit balances</b>	18(a)	<b>9,958.46</b>	<b>7,874.94</b>
<b>Total Assets</b>		<b>998,517.34</b>	<b>982,465.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	19	9,737.90	9,737.90
(b) Other equity	20	486,887.00	484,660.55
(c) Share capital suspense account	4.1	6,041.43	6,041.43
<b>Equity attributable to owners of the Company</b>		<b>502,666.33</b>	<b>500,439.88</b>
<b>Non-Controlling Interest</b>	21	<b>20,124.39</b>	<b>20,126.22</b>
<b>Total Equity</b>		<b>522,790.72</b>	<b>520,566.10</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	308,912.38	331,653.44
(ii) Trade payables	23	3,608.54	3,120.88
(iii) Other financial liabilities	24	11,921.62	13,438.80
(b) Provisions	25	582.23	453.03
(c) Deferred tax liabilities (net)	26	4,985.16	4,901.57
(d) Other non-current liabilities	27	2,719.38	6,128.60
<b>Total Non-current liabilities</b>		<b>332,729.31</b>	<b>359,696.32</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	28	33,663.97	22,311.25
(ii) Trade payables	29	25,180.17	24,956.48
(iii) Other financial liabilities	30	69,919.05	41,811.55
(b) Other current liabilities	31	4,438.38	4,754.62
(c) Provisions	32	1,993.83	3,491.86
(d) Current tax liabilities (net)		2,787.83	1,800.02
<b>Total Current liabilities</b>		<b>137,983.23</b>	<b>99,125.78</b>
<b>Regulatory deferral account credit balances</b>	18(b)	<b>5,014.08</b>	<b>3,077.57</b>
<b>Total Equity and Liabilities</b>		<b>998,517.34</b>	<b>982,465.77</b>

Significant accounting policies and other accompanying notes (1- 60) are an integral part of the consolidated financial statements.

 As per our report on even date  
 For **S.S. Kothari Mehta & Co**  
 Chartered Accountants  
 Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
 Partner  
 Membership No. 095960

**Raghav Raj Kanoria**  
 Managing Director  
 (DIN:07296482)

**A.K. Goswami**  
 Whole Time Director  
 (DIN:03331661)

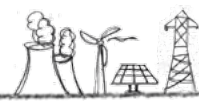
**Amit Kiran Deb**  
 Director  
 (DIN:02107792)

 Place: Kolkata/New Delhi  
 Date: 29th May, 2018

**Sushil Kr. Agarwal**  
 Chief Financial Officer

**Prashant Kapoor**  
 Company Secretary

**Sanjeev Seth**  
 Chief Executive Officer

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March 2018	Year ended 31st March 2017
<b>INCOME</b>			
Revenue from Operations	33	101,445.73	83,282.29
Other Income	34	17,802.24	3,976.65
<b>Total Income</b>		<b>119,247.97</b>	<b>87,258.94</b>
<b>EXPENSES</b>			
Cost of material consumed - coal consumption		19,598.61	16,523.15
Energy purchase	35	45,979.17	39,758.99
Lease rent	36	4,388.96	4,767.43
Employee benefits expense	37	7,325.53	5,282.88
Finance costs	38	22,340.08	14,274.92
Depreciation and amortisation expense	39	9,756.02	5,815.37
Other expenses	40	11,899.87	10,133.23
<b>Total Expenses</b>		<b>121,288.24</b>	<b>96,555.97</b>
<b>Profit before exceptional items, rate regulated activities, tax and share of Profit/(Loss) of Joint Venture</b>		<b>(2,040.27)</b>	<b>(9,297.03)</b>
Regulatory income/(expense) (net)	18 (c)	1,603.35	(2,357.16)
<b>Profit before exceptional items, tax and share of Profit/(Loss) of Joint Venture</b>		<b>(436.92)</b>	<b>(11,654.19)</b>
Exceptional Items	41	3,749.38	32,238.99
<b>Profit before tax and share of Profit/(Loss) of Joint Venture</b>		<b>3,312.46</b>	<b>20,584.80</b>
<b>Share of Profit/(Loss) of Joint Ventures</b>		87.53	(56.42)
Profit before tax		<b>3,399.99</b>	<b>20,528.38</b>
<b>Tax expense:</b>	42		
Current tax		1,301.13	1,687.87
MAT Credit Entitlement		(31.96)	-
Income tax for earlier years		(7.54)	(0.09)
Deferred tax		129.81	633.96
<b>Profit for the year</b>		<b>2,008.55</b>	<b>18,206.64</b>
<b>Other Comprehensive Income</b>			
i) Items that will not be reclassified to Profit or Loss			
(a) Beneficial interest in Power Trust and equity instruments through Other Comprehensive Income		0.21	(43.27)
(b) Remeasurement gains/(losses) on defined benefit plans		(172.35)	(91.89)
(c) Share of Other Comprehensive Income of Joint Ventures		(0.96)	-
ii) Income tax on items that will not be reclassified to profit or loss		67.10	33.07
<b>Total Comprehensive Income for the period</b>		<b>1,902.55</b>	<b>18,104.55</b>
<b>Profit for the year attributable to:</b>			
- Owners of the Company		1,984.25	17,513.73
- Non Controlling interest		24.30	692.91
<b>Other Comprehensive Income attributable to:</b>			
- Owners of the Company		(106.97)	(102.09)
- Non Controlling interest		0.97	-
<b>Total Comprehensive Income attributable to:</b>			
- Owners of the Company		1,877.28	17,411.64
- Non Controlling interest		25.27	692.91
Earnings per equity share:	47		
Basic and Diluted including Regulatory income/(expense) (₹)		0.13	1.15
Basic and Diluted excluding Regulatory income/(expense) (₹)		0.06	1.25

Significant accounting policies and other accompanying notes (1- 60) are an integral part of the consolidated financial statements.

As per our report on even date  
For **S.S. Kothari Mehta & Co**  
Chartered Accountants  
Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
Partner  
Membership No. 095960

**Raghav Raj Kanoria**  
Managing Director  
(DIN:07296482)

**A.K. Goswami**  
Whole Time Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

Place: Kolkata/New Delhi  
Date: 29th May, 2018

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**Sanjeev Seth**  
Chief Executive Officer





# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2018

## A. Equity Share Capital and Share Capital suspense account

Particulars	₹ in lakhs	
	Share capital	Share capital suspense account
<b>Balance as on April 1, 2016</b>	<b>9,737.90</b>	<b>6,041.43</b>
Changes in equity share capital during the year 2016-17	-	-
<b>Balance as on March 31, 2017</b>	<b>9,737.90</b>	<b>6,041.43</b>
Changes in equity share capital during the year 2017-18	-	-
<b>Balance as on March 31, 2018</b>	<b>9,737.90</b>	<b>6,041.43</b>

## B. Other Equity

Particulars	Reserve and Surplus							Items of Other Comprehensive Income			Total
	Capital Reserve		Debt Redemption Reserve	General Reserve	Reserve for unforeseen exigencies fund	Reserve for unforeseen exigencies interest fund	Foreign currency translation reserve	Retained earnings	Re-measurement of net defined benefit plans	Beneficial interest in Power Trust and equity instruments through OCI	
	Contribution from Consumers Towards Service Lines	Other Capital Reserve									
<b>Balance as on April 1, 2016</b>	<b>1,762.56</b>	<b>82.47</b>	<b>2,000.00</b>	<b>77,403.62</b>	<b>418.39</b>	<b>174.90</b>	<b>(3.88)</b>	<b>10,950.01</b>	<b>(484.28)</b>	<b>125.63</b>	<b>92,429.42</b>
Profit for the year	-	-	-	-	-	-	-	17,513.73	-	-	17,513.73
Capital contribution received during the year	341.20	-	-	-	-	-	-	-	-	-	341.20
Dividend payments including dividend distribution tax	-	-	-	-	-	-	-	(185.69)	-	-	(185.69)
Transfer to/(from) retained earnings	-	-	350.00	-	98.56	49.18	-	(497.74)	-	-	-
Foreign currency translation reserve	-	-	-	-	-	30.13	-	-	-	-	30.13
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	374,633.85
Re-measurement of equity instruments	-	-	-	-	-	-	-	-	-	(43.27)	(43.27)
Re-measurements of the net defined benefit plans (net)	-	-	-	-	-	-	-	-	(58.82)	-	(58.82)
<b>Balance as on March 31, 2017</b>	<b>2,103.76</b>	<b>82.47</b>	<b>2,350.00</b>	<b>77,403.62</b>	<b>516.95</b>	<b>224.08</b>	<b>26.25</b>	<b>27,780.31</b>	<b>(543.10)</b>	<b>82.36</b>	<b>484,660.55</b>
Profit for the year	-	-	-	-	-	-	-	1,984.25	-	-	1,984.25
Capital contribution received during the year	393.85	-	-	-	-	-	-	-	-	-	393.85
Dividend payments including dividend distribution tax	-	-	-	-	-	-	-	(275.97)	-	-	(275.97)
Transfer to/(from) retained earnings	-	-	-	-	100.30	58.89	-	(159.19)	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-	(33.65)	-	-	-	(33.65)
Acquisition of subsidiaries	-	-	-	-	-	264.94	-	-	-	-	264.94
Re-measurement of equity instruments	-	-	-	-	-	-	-	-	-	0.21	0.21
Re-measurements of the net defined benefit plans (net)	-	-	-	-	-	-	-	-	(107.18)	-	(107.18)
<b>Balance as on March 31, 2018</b>	<b>2,497.61</b>	<b>82.47</b>	<b>2,350.00</b>	<b>77,403.62</b>	<b>617.25</b>	<b>282.97</b>	<b>(7.40)</b>	<b>29,329.40</b>	<b>(650.28)</b>	<b>82.57</b>	<b>486,887.00</b>

Refer note 20 for nature and purpose of reserves.

Significant accounting policies and other accompanying notes (1- 60) are an integral part of the consolidated financial statements.

As per our report on even date  
For **S.S. Kothari Mehta & Co**  
Chartered Accountants  
Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
Partner  
Membership No. 095960

**Raghav Raj Kanoria**  
Managing Director  
(DIN:07296482)

**A.K. Goswami**  
Whole Time Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

Place: Kolkata/New Delhi  
Date: 29th May, 2018

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**Sanjeev Seth**  
Chief Executive Officer







# CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Taxation	3,399.99	20,528.38
<b>Adjustments for:</b>		
Depreciation and amortisation expense	9,756.02	5,815.37
Share of profit/(loss) of joint ventures	(87.53)	56.42
Provision for employee benefit	50.04	20.89
Provision for interest on delayed payment of income tax	2.24	-
Allowance for bad and doubtful debts & Others (net)	7.58	17.99
Dividend Income	(9,541.97)	(7.53)
Interest Income on deposits and others	(1,908.88)	(1,465.37)
Interest expense	22,340.08	14,274.92
Depreciation reversal (refer note 34)	-	(477.92)
Loss/(profit) on discard/sale of fixed assets (net)	6.70	-
Interest income on unwinding of financial instruments	(610.31)	(693.58)
Gain on mutual fund valuation	(3.58)	(24.34)
Prepaid expense amortisation	-	29.09
Lease rent	(2.73)	(2.73)
Rent expense	2.47	2.88
Profit on sale/discard of investment	4.07	(22.39)
Adjustment for employee loan and security deposit	0.18	0.41
Profit on sale of non current investment	-	(0.07)
Liability no longer required written back	(7,086.23)	-
Advance written off	635.64	-
Exceptional items	(3,749.38)	(32,238.99)
Provisions and liabilities for contingencies	-	1,300.00
Foreign exchange (gain)/loss	(39.93)	(107.21)
	9,774.48	(13,522.16)
<b>Operating Profit before Working Capital Changes</b>	<b>13,174.47</b>	<b>7,006.22</b>
<b>Adjustments for:</b>		
Decrease / (Increase) - Inventories	965.30	(5,052.76)
Decrease / (Increase) - Regulatory deferral account balances	(147.01)	3,695.59
Decrease / (Increase) - Trade and Other Receivables	(4,877.01)	(5,111.01)
Decrease / (Increase) - Loans	1.73	870.30
Decrease / (Increase) - Other Financial Assets	6,687.63	(2,625.18)
Decrease / (Increase) - Other Assets	995.36	1,401.56
Increase / (Decrease) - Cessation of subsidiary	-	(3,038.14)
Increase / (Decrease) - Trade Payables	(630.61)	9,781.48
Increase / (Decrease) - Other Financial Liabilities	(642.35)	4,043.80
Increase / (Decrease) - Other Current Liabilities	(1,900.86)	-
Increase / (Decrease) - Financial Liabilities	(2,822.26)	26.13
	(2,370.08)	3,991.77
<b>Cash Generated from Operations</b>	<b>10,804.39</b>	<b>10,997.99</b>
Direct Taxes Paid	(262.45)	(194.53)
<b>Net Cash flow from/(used in) Operating Activities</b>	<b>10,541.94</b>	<b>10,803.46</b>



# CONSOLIDATED CASH FLOW STATEMENT

 for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(89,154.01)	(29,189.14)
Acquisition of intangible assets	(1,477.53)	(964.49)
Proceeds from disposal of property, plant and equipment	1.34	0.62
Proceeds from sale of non current investments	180.00	30,669.11
Proceeds from sale of current investments	95,704.91	135,845.67
Purchase of current investments	(25,569.38)	-
Purchase of non current investments	(96.71)	(261,589.42)
Investment in bank deposits (original maturity more than 3 months)	(0.89)	-
Other receivables	595.02	(620.32)
Dividend received	4,834.65	-
Interest received on fixed deposits and loans	2,068.02	1,367.34
Receipt for completion of acquisition of a subsidiary	-	26,694.50
Proceeds from earmarked deposit with bank	1,891.29	(8,988.07)
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>(11,023.30)</b>	<b>(106,774.20)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan to joint venture companies	-	(5.00)
Proceeds from non-current borrowings	6,649.68	34,487.49
Repayment from non-current borrowings	(8,173.04)	(57,381.32)
Movement in cash credit facilities from bank	1,552.63	3,491.40
Proceeds from short term borrowing	10,000.10	200.00
Repayment of short term loan	(200.00)	(6,700.00)
Loan to body corporate	(1,156.00)	-
Dividend paid (including tax on dividend)	(185.36)	(165.77)
Interest paid	(11,497.85)	(20,068.16)
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>(3,009.85)</b>	<b>(46,141.36)</b>
Net increase/ (decrease) in Cash and Cash Equivalents	(3,491.20)	(142,112.10)
Cash and Cash Equivalents at the beginning of the year	6,200.40	4,653.62
Cash and Cash Equivalents (acquired on acquisition of subsidiary)	-	143,658.88
<b>Cash and Cash Equivalents at the closing of the year (Refer Note 13)</b>	<b>2,709.20</b>	<b>6,200.40</b>

## Changes in Liability arising from financing activities

(₹ in lakhs)

Particulars	1st April, 2017	Cash Flow	Impact of effective interest rate	31st March, 2018
Borrowing Non Current (Refer Note 22)	351,805.53	(1,523.36)	366.43	350,648.60
Borrowing Current (Refer Note 28)	22,311.25	11,352.72	-	33,663.97

Significant accounting policies and other accompanying notes (1- 60) are an integral part of the consolidated financial statements.

 As per our report on even date  
 For **S.S. Kothari Mehta & Co**  
 Chartered Accountants  
 Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
 Partner  
 Membership No. 095960

**Raghav Raj Kanoria**  
 Managing Director  
 (DIN:07296482)

**A.K. Goswami**  
 Whole Time Director  
 (DIN:03331661)

**Amit Kiran Deb**  
 Director  
 (DIN:02107792)

 Place: Kolkata/New Delhi  
 Date: 29th May, 2018

**Sushil Kr. Agarwal**  
 Chief Financial Officer

**Prashant Kapoor**  
 Company Secretary

**Sanjeev Seth**  
 Chief Executive Officer




# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 1. CORPORATE INFORMATION

India Power Corporation Limited is domiciled and incorporated in India and its shares are quoted on National Stock Exchange of India Limited (NSE), The Calcutta Stock Exchange Limited (CSE) and Metropolitan Stock Exchange of India Limited (MSEI). The Registered Office of the Company is at Plot X1 2&3, Block -EP, Sector-V, Saltlake City, Kolkata- 700091.

The Consolidated Financial Statements relate to India Power Corporation Limited (the Company), and subsidiaries (collectively known as Group) and associates and joint venture entities as detailed below:

Name of Company	Country of Incorporation	Nature of relationship	Proportion of ownership interest held by the Company
India Power Corporation (Bodhgaya) Limited	India	Subsidiary	100%
Meenakshi Energy Limited	India	Subsidiary	95.19%
IPCL Power Trading Private Limited	India	Subsidiary	99.81%
IPCL Pte. Ltd.	Singapore	Subsidiary	100%
Edison Power Limited	Jersey	Subsidiary of IPCL Pte Ltd. till 27.06.2017	51%
Matsya Shipping & Ports Private Limited	India	Subsidiary from 19.02.2016 till 26.03.2017. Joint venture from 27.03.2017 onwards	50%
India Power Green Utility Private Limited (IPGUPL)	India	Subsidiary	100%
PL Solar Renewable Limited	India	Subsidiary of IPGUPL from 23.02.2017	49%
PL Sunrays Power Limited	India	Subsidiary of IPGUPL from 23.02.2017	49%
PL Surya Vidyut Limited	India	Subsidiary of IPGUPL from 23.06.2017	49%
India Uniper Power Services Private Limited	India	Subsidiary from 02.08.2016 till 05.01.2017. Joint venture from 06.01.2017 onwards	50%
Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited)	India	Subsidiary till 30.03.2017 and associate from 31.03.2017 to 29.12.2017	Refer Note no. 7.5 (c)

The Company acquired 95.07 % equity stake of Meenakshi Energy Limited (MEL) w.e.f. September 30, 2016 consequent to which MEL became the subsidiary of the Company. In the year 2016-17 Standalone financial statements of MEL for the period October 1, 2016 to March 31, 2017 could not be compiled and audited and accordingly was not consolidated as per Ind AS 110 'Consolidated Financial Statements'. Audited financial statements now being available, have been consolidated. Accordingly financial results for the year ended 31st March, 2017 includes the financials of Meenakshi Energy Limited and to that extent previous year figures have been recasted.

Further Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited), an associate as on 31.03.2017, where the Company does not have equity holdings have also not been considered for consolidation (Refer note no. 7.4).

The Group is mainly engaged in thermal power Generation in the state of West Bengal and Andhra Pradesh, wind power generation in the state of Gujarat, Karnataka and Rajasthan and solar power generation in the state of Uttarakhand. It is licensed to distribute power in and around Asansol region including the area covered under Asansol Municipal Corporation in the State of West Bengal and is operating as distribution franchisee in the area of Gaya, Bodhgaya and Manpur in the state of Bihar. It is also engaged in trading of power.

## 2. SIGNIFICANT GROUP ACCOUNTING POLICIES

### 2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act 2013 ("the Act") ("to the extent notified") and the Regulations issued from time to time by "West Bengal Electricity Regulatory Commission" (WBERC) under the Electricity Act, 2003 (Tariff Regulations). Ind AS are prescribed under section 133 of the Act read with rule 3 of The Companies (Indian Accounting Standard) Rules 2015 and the relevant amendment rules issued there after.

Effective April 1, 2016, the Company has adopted the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101. First time adoption of Indian Accounting Standards with effect from April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting Policy has been consistently applied except where a newly introduced Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 2.2 Recent Pronouncements

Appendix B to Ind AS 21, "Foreign currency transactions and advance consideration:" On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

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

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- "Accounting Policies, Changes in Accounting Estimates and Errors."
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirement of amendment and impact on financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

## 2.3 Basis of Preparation

The consolidated financial statements have been prepared on historical cost convention on accrual basis, except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/amortised cost at the end of each reporting period, as explained in accounting policy below. Historical cost convention is generally based on fair value of the consideration given in exchange for goods and services. Fair Value of the price that would be received sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-

current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

## 2.4 Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as "the Group"), associates and Joint venture entities. The Group has investments in joint ventures and associates which are accounted using equity method in these consolidated financial statements.

Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:

- Power over the investee.
- Exposure, or rights to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financials Statements except otherwise stated. Necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

In preparing the consolidated financial statements, financial statements of the Holding Company and its subsidiaries have been combined on a line by line basis by adding the book values of the like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits or losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests and the fair value of the considerations paid or received is recognised directly in equity and attributed to the owners of the Company.

## 2.5 Business Combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The said exemption has also been availed by associates and joint ventures.

The acquisition method of accounting is used to account for business combinations by the Group.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

## 2.6 Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

## 2.7 Investment in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

## 2.8 Foreign Subsidiaries

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing rate at the date of that balance sheet
- (ii) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions)

## 2.9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability
- (c) Level 3 : inputs for the asset or liability which are not based on observable market data.

## 2.10 Property, Plant and Equipment (PPE)

- (i) Freehold land is carried at historical cost. All other items of PPE are stated at their cost of acquisition or construction and is net of accumulated depreciation. Carrying value of PPE on the date of transition has been considered to be deemed cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- (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) Depreciation on PPE commences when the assets are ready for their intended use.
- (iv) Depreciation on PPE is provided on the straight-line method at the rates specified in the Tariff Regulation and computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. The useful life of assets considered for depreciation as above are as follows:

Category	Useful life (years)
Building	15 to 50
Plant & Equipment	5 to 25
Mains meters & transformers	7 to 35
Vehicles	5 to 10
Furniture & fixtures	7 to 15
Office equipments	3 to 15

- (v) The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (vi) Cost of leasehold lands are amortised under the straight line method over the related lease period.
- (vii) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.

## 2.11 Intangible Assets

### *Recognition and initial measurement*

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages (ERP and others) for India Power Corporation Limited has been allocated/ amortized over a period of 5 years on straight line basis.

Amortisation of Computer Software of India Power Corporation (Haldia) Limited (subsidiary of the Company till 30.03.2017, associate from 31.03.2017) has been allocated/amortized over a period of 3 years on straight line basis.

Right to charge users in case of India Power Corporation (Bodhgaya) Limited, a subsidiary of the Company has been allocated/amortized over a period of 15 years on straight line basis.

Right acquired in case of PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidyut Limited, a step-down subsidiaries of the Company has been allocated/amortized over a period of 25 years on straight line basis.

## 2.12 Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

## 2.13 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

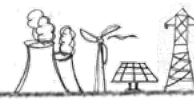
## 2.14 Leases

Leases are classified as finance leases whenever in terms of the lease all the risks and rewards incidental to the ownership of an asset are substantially transferred to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Any initial direct cost of the lessee is added to the amount recognized as an asset. Each lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease arrangement are structured to increase in the payments in line with expected general inflation or another systematic basis which is more representative of the time pattern





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

## 2.15 Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Company or otherwise these are classified as non current.

The financial instruments are classified to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

### (i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

### (ii) Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross

carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### (iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, the principal is considered to be fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

### (v) Financial Assets or Liabilities at Fair value through profit or loss (FVTPL)

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

## 2.16 Financial guarantee contracts

Financial guarantee contracts other than those which are in the nature of insurance are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

## 2.17 Impairment of Financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

## 2.18 De-recognition of financial instruments

The Group derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

## 2.19 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.

## 2.20 Foreign Currency Transactions

### Presentation currency:

These consolidated financial statements are presented in Indian Rupee, which is the Company's functional currency and the Group's presentation currency.

### Transactions and balances:

Transactions in currencies other than the respective entities functional currency are recognised at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions

during the year are recognized as income or expense in the profit and loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

## 2.21 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent Assets are disclosed in the consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

## 2.22 Post-employment, long term and short term employee benefits

### Defined contribution plans Provident Fund

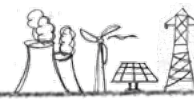
The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Defined benefit plans Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statement in respect of gratuity is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

statement of Other Comprehensive Income (OCI) in the year in which such gains or losses are determined.

## Superannuation (Funded)

The Group'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 LIC. 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.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

## Lump sum payment (Unfunded)

The Group 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.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

## Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

## Short Term Employee Benefits

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

## Voluntary Retirement Scheme

Expenditure on voluntary retirement scheme (VRS) is being charged to Statement of Profit and Loss Account as incurred.

## 2.23 Revenue Recognition

### Sale of Energy

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.

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

Regulatory income and expense for the year recognised as per Regulations issued by WBERC are shown separately in the Consolidated Statement of Profit and Loss.

### Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/other claims are accounted as and when admitted/settled.

### In respect of subsidiary (India Power Corporation (Bodhgaya) Limited)

- Sale of energy on account of electricity supplied is billed to consumers at the rates approved by Bihar Electricity Regulatory Commission (BERC) and Distribution Franchise Agreement (DFA) with South Bihar Power Distribution Company Limited (SBPDCL) and is net of rebate etc. allowed to 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.
- Revenue from operations does not include pass through transactions, collections on account payable as per DFA.

### Construction Revenue

Contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. An expected loss on the construction contract shall be recognised as an expense immediately in statement of profit and loss account.

## 2.24 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property, Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

## 2.25 Income Tax

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

have been enacted or substantively enacted by the end of the reporting period. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense taxable on the basis different than that considered for recognition in the accounts and also due to the items that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

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

## 2.26 Earnings per share

Basic earnings per share including regulatory income/expense is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

Basic earnings per share excluding regulatory income/expense is calculated by dividing the net profit or loss for the period before regulatory income/expense attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share including regulatory income/expense, the net profit or loss for the period attributable to equity shareholders and the weighted

average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating diluted earnings per share excluding regulatory income/expense, the net profit or loss for the period before regulatory income/expense attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.27 In respect of the Company

### Regulatory Assets and Liabilities

Regulatory assets and liabilities shown as Regulatory Deferral Account Balance are recognised based on process defined in Tariff Regulations issued by WBERC. Any adjustment there of are recognised in the year in which order of WBERC are received. 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. Consequential adjustments are given effect to upon confirmation by the relevant authorities.

## 3. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/materialized and, if material, their effects are disclosed in the notes to the consolidated financial statements.

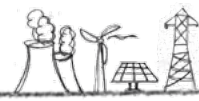
Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The key assumptions and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also been discussed below:

### (a) Regulatory Deferral Account Balances

Regulatory Deferral consists of Fuel and Power Purchase Cost Adjustment (FPPCA) and other accruals as per the tariff regulation as recognised in the accounts have been considered on the basis of available tariff order and as per the







# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

norms and formula prescribed in the regulations; these may vary requiring adjustments on determination by the regulator.

**(b) Fair Valuation of Financial assets - Beneficial Interest in Power Trust**

Beneficial interest in Power Trust have been evaluated and considered considering the valuation of underlying securities of the projected inflows of the investee entities as estimated by the respective management and evaluated by an independent valuer. Variation arising with respect to actual numbers in future may require adjustment effecting other comprehensive income.

**(c) Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Accordingly, such provision has been made considering concession/allowances including those based on expert advice/judicial pronouncements.

**(d) Contingencies**

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations as it is not possible to predict the outcome of pending matters with accuracy.

**(e) Impairment loss on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable vary, it may effect the amount of actual write-offs as estimated.

**(f) Determining whether an arrangement contain leases and classification of leases**

The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**(g) Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

## 4. AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ('the scheme') sanctioned by the Hon'ble Calcutta High Court 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.

### 4.1 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 ₹ 1 each of the Company aggregating to ₹ 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 ₹ 1 each aggregating to ₹ 5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court leaving 389,515,856 equity shares held by Power Trust. The above referred allotment and cancellation has not been given effect due to certain pending formalities with the Stock Exchanges in view of Interim Order relating to minimum public shareholding passed by SEBI. Pending this, a net amount of ₹ 6,041.43 lakhs, being the differential amount with respect to the equity shares to be allotted and to be cancelled as stated herein above, has continued to be shown as share capital suspense account.

In terms of the Orders dated January 27, 2017 and August 25, 2017 of Hon'ble Calcutta High Court, Power Trust transferred/sold off through Offer for Sale 65,462,459 equity shares of the Company. Therefore, Power Trust as on March 31, 2018 holds 324,053,397 equity shares of the Company. The Hon'ble Calcutta High Court, vide its Order dated 18th May, 2018 has directed to dispose of the balance shares expeditiously.

**4.2** 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 ₹ 20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

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



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 5 PROPERTY, PLANT AND EQUIPMENT (PPE)

(₹ in lakhs)

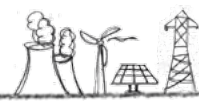
Particulars	Freehold Land	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Mains, Meters and Transformers	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross carrying value as at April 1, 2016</b>	<b>741.00</b>	<b>3,524.74</b>	<b>-</b>	<b>6,918.56</b>	<b>8,487.35</b>	<b>21,691.99</b>	<b>199.43</b>	<b>145.36</b>	<b>515.80</b>	<b>42,224.23</b>
Addition	66.85	80.23	-	488.89	468.15	847.18	69.24	11.71	70.55	2,102.80
Disposal	4.08	-	216.22	85.47	1,446.66	170.71	3.69	11.82	62.48	2,001.13
Adjustments	4,927.13	(2,187.15)	272.70	15,627.70	148,585.82	-	567.18	0.41	1,058.85	168,852.64
<b>Gross carrying value as at March 31, 2017</b>	<b>5,730.90</b>	<b>1,417.82</b>	<b>56.48</b>	<b>22,949.68</b>	<b>156,094.66</b>	<b>22,368.46</b>	<b>832.16</b>	<b>145.66</b>	<b>1,582.72</b>	<b>211,178.54</b>
Addition	-	-	-	305.90	123.84	806.56	11.08	241.28	78.89	1,567.55
Disposal	-	-	-	-	-	20.37	0.29	2.71	11.02	34.39
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2018</b>	<b>5,730.90</b>	<b>1,417.82</b>	<b>56.48</b>	<b>23,255.58</b>	<b>156,218.50</b>	<b>23,154.65</b>	<b>842.95</b>	<b>384.23</b>	<b>1,650.59</b>	<b>212,711.70</b>
<b>Accumulated depreciation as at April 1, 2016</b>	<b>-</b>	<b>48.00</b>	<b>-</b>	<b>324.32</b>	<b>371.44</b>	<b>907.61</b>	<b>15.29</b>	<b>33.77</b>	<b>63.02</b>	<b>1,763.45</b>
Charge for the period	-	23.89	31.32	831.43	7,650.24	958.87	63.18	25.48	172.65	9,757.06
Disposal	-	24.35	69.01	27.22	141.13	16.97	3.70	18.73	28.23	329.34
Adjustments	-	-	37.69	517.62	7,297.68	-	35.05	(3.60)	95.34	7,979.78
<b>Accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>47.54</b>	<b>-</b>	<b>1,646.15</b>	<b>15,178.23</b>	<b>1,849.51</b>	<b>109.82</b>	<b>36.92</b>	<b>302.78</b>	<b>19,170.95</b>
Charge for the period	-	24.47	-	819.46	7,510.49	968.73	54.63	41.74	162.83	9,582.35
Disposal	-	-	-	-	-	2.58	0.06	1.99	5.99	10.62
<b>Accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>72.01</b>	<b>-</b>	<b>2,465.61</b>	<b>22,688.72</b>	<b>2,815.66</b>	<b>164.39</b>	<b>76.67</b>	<b>459.62</b>	<b>28,742.68</b>
<b>Net carrying value as at March 31, 2017</b>	<b>5,730.90</b>	<b>1,370.28</b>	<b>56.48</b>	<b>21,303.53</b>	<b>140,916.43</b>	<b>20,518.95</b>	<b>722.34</b>	<b>108.74</b>	<b>1,279.94</b>	<b>192,007.59</b>
<b>Net carrying value as at March 31, 2018</b>	<b>5,730.90</b>	<b>1,345.81</b>	<b>56.48</b>	<b>20,789.97</b>	<b>133,529.78</b>	<b>20,338.99</b>	<b>678.56</b>	<b>307.56</b>	<b>1,190.97</b>	<b>183,969.02</b>

**5.1** Gross Block and Net Block of buildings includes ₹ 166.67 lakhs and ₹ 146.92 lakhs (₹ 166.67 lakhs and ₹ 153.51 lakhs as on March 31, 2017) respectively being building constructed on land not owned by the Company.

**5.2** Refer note 22 & 28 for charge against PPE.

**5.3** Refer note 16.1 for disposal of Chinakuri Power Plant.





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 6 OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Right to Charge Users (refer Note 6.1)	Right (refer note 6.2)	Total
<b>Gross carrying value as at April 1, 2016</b>	<b>322.79</b>	<b>1,849.61</b>	-	<b>2,172.40</b>
Additions	7.94	1,253.88	689.45	1,951.27
Disposals	41.87	-	-	41.87
Adjustments	156.82	-	-	156.82
<b>Gross carrying value as at March 31, 2017</b>	<b>445.68</b>	<b>3,103.49</b>	<b>689.45</b>	<b>4,238.62</b>
Addition	93.20	2,152.80	430.99	2,676.99
Disposal	-	-	-	-
Adjustments	-	-	-	-
<b>Gross carrying value as at March 31, 2018</b>	<b>538.88</b>	<b>5,256.29</b>	<b>1,120.44</b>	<b>6,915.61</b>
<b>Accumulated depreciation as at April 1, 2016</b>	<b>116.89</b>	<b>140.59</b>	-	<b>257.48</b>
Charge for the period	132.43	243.34	-	375.77
Disposal	22.19	-	-	22.19
Adjustments	34.10	-	-	34.10
<b>Accumulated depreciation as at March 31, 2017</b>	<b>261.23</b>	<b>383.93</b>	-	<b>645.16</b>
Charge for the period	63.06	435.98	-	499.04
Disposal	-	-	-	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>324.29</b>	<b>819.91</b>	-	<b>1,144.20</b>
<b>Net carrying value as at March 31, 2017</b>	<b>184.45</b>	<b>2,719.56</b>	<b>689.45</b>	<b>3,593.46</b>
<b>Net carrying value as at March 31, 2018</b>	<b>214.59</b>	<b>4,436.38</b>	<b>1,120.44</b>	<b>5,771.41</b>

6.1 Intangible Asset in respect of the subsidiary, India Power Corporation (Bodhgaya) Limited, being the Right to charge users of the Electricity under the Distribution Franchise Agreement with South Bihar Power Distribution Company Limited.

6.2 Right represents the value of intangible rights acquired by India Power Green Utility Private Limited, a subsidiary on acquisition of PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidyut Limited (Refer Note 51)

## 7.1 NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)		(Amount)	(Amount)
<b>Investment in equity instruments</b>					
<b>Fully paid up Equity Shares</b>					
<b>Unquoted, Carried at Fair value through Profit and Loss</b>					
<b>Investment in Joint venture Companies</b>					
Matsya Shipping & Ports Private Limited	5,000	5,000	10	0.50	0.50
Add/(Less): Share of profit/(loss)				(0.50)	(0.01)
India Uniper Power Services Private Limited	3,525,000	3,525,000	10	352.50	352.50
Add/(Less): Share of profit/(loss)				30.66	(56.41)



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

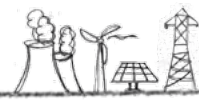
for the year ended 31st March, 2018

## 7.1 NON-CURRENT INVESTMENTS (CONTD.)

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)		(Amount)	(Amount)
<b>Investment in Other Body Corporate</b>					
<b>Carried at Fair value through Other Comprehensive Income</b>					
<b>Quoted</b>					
Yule Financing & Leasing Co. Limited	297,930	297,930	10	-	-
Tide Water Oil Co. (I) Limited	4,024	4,024	5	245.36	242.21
<b>Unquoted</b>					
Transformer & Switchgear Limited	24,407	24,407	10	-	-
WEBFIL Limited	2,003,800	2,003,800	10	-	-
Woodlands Multispeciality Hospital Limited	500	500	10	0.05	0.05
India Power Corporation (Tuticorin) Private Limited	387,600	387,600	10	40.54	37.29
<b>Investment in Preference Shares</b>					
<b>Fully paid up Preference Shares</b>					
<b>Unquoted, Carried at cost</b>					
<b>Investment in Associate</b>					
0.01% Compulsorily Convertible Preference Shares in Hiranmaye Energy Limited (Formerly India Power Corporation (Haldia) Limited) (CCPS)	-	306,827,040	10	-	30,682.70
<b>Investment in Debentures</b>					
<b>Fully Paid Debentures</b>					
<b>Carried at Fair value through Other Comprehensive Income</b>					
<b>Unquoted</b>					
<b>Investment in Other Body Corporate</b>					
18.00% Unsecured Optionally fully Convertible Debentures of OSD Coke (Consortium) Private Limited	2,500	2,500	100	2.50	2.50
<b>Investment for Unforeseen Exigencies Reserve</b>					
<b>Carried at amortised cost</b>					
<b>Quoted - Bonds</b>					
11.00% PFC, 2018	-	3	1,000,000	-	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
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





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 7.1 NON-CURRENT INVESTMENTS (CONTD.)

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)		(Amount)	(Amount)
<b>Carried at Fair value through Profit and loss</b>					
<b>Quoted - Mutual Funds</b>					
UTI- GILT Advantage fund long term plan - Dividend payout	639,645	639,645	10	151.22	146.62
<b>Investment for Unforeseen Exigencies Reserve Interest</b>					
<b>Carried at amortised cost</b>					
<b>Quoted - Bonds</b>					
11.40% SREI IFL, 2022	2	2	1,000,000	19.99	19.99
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
<b>Carried at Fair value through Profit and loss</b>					
<b>Quoted - Mutual Funds</b>					
UTI Balanced Fund (Income Re-investment) Scheme	85,750	78,831	10	28.12	25.85
<b>Total</b>				<b>1,032.92</b>	<b>31,645.78</b>
Aggregate amount of Quoted Investments				606.67	626.65
Aggregate Market Value of Quoted Investments				605.58	628.40
Aggregate amount of Unquoted Investments				426.25	31,019.13

## 7.2 CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017	Face value (₹)	31st March, 2018	31st March, 2017
	(No.)	(No.)		(Amount)	(Amount)
<b>Investment for Unforeseen Exigencies Reserve</b>					
<b>Carried at amortised cost</b>					
<b>Quoted - Bonds</b>					
11.00% PFC, 2018	3.00	-	1,000,000	30.00	-
<b>Quoted - Mutual Funds</b>					
ICICI Prudential Flexible Income Plan	-	2,867,974.58		-	8,922.23
SBI Ultra Short Term Debt Fund- Direct Plan - Growth.	818,163.85	2,286,630.50		18,423.81	48,200.57
SBI Ultra Short Debt Fund- Regular Plan - Growth.	660,460.00	-		14,806.13	-
Indiabulls Ultra Short Term - Direct Plan Growth	203,696.27	1,610,867.30		3,520.44	25,951.47
SBI Treasury Advantage Fund - Direct Growth	6,129.85	-		121.26	-
SBI Magnum Insta Cash Fund -Regular Plan - Growth	-	667,388,842		-	23,932.90
<b>Total</b>				<b>36,901.64</b>	<b>107,007.17</b>
Aggregate amount of Quoted Investments				36,901.64	107,007.17
Aggregate Market Value of Quoted Investments				36,902.86	107,007.17





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

**7.3** The Company invested on 30th September 2016 to hold 3,811,506,509 shares of Meenakshi Energy Limited (MEL), representing 95.07% of MEL equity shares, which were fully pledged with SBI CAP Trustee Company Limited (SBI CAP) on behalf of the lenders. Pledge on these shares was invoked on 2nd May 2018. This matter is pending with Hon'ble XIV Additional Chief Judge cum Commercial court Hyderabad and is sub judice.

**7.4** During the financial year 2016-17, the Company has sold 0% Fully and Compulsorily Convertible Debentures [FCCD] of Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited) of ₹ 49,046.07 lakhs to Power Trust along with encumbrances for which necessary approvals need to be obtained. Consequent to sale of FCCD, Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited) has ceased to be a subsidiary w.e.f. March 31, 2017 and has become an associate. The Company does not have any Equity investment in Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited) and proportion of holding as disclosed represents potential voting rights against CCPS. Therefore, the accounts of Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited) has not been considered for consolidation as per Ind AS 28 "Investments in Associates and Joint Ventures" for the financial year 2016-17.

The Company has sold Compulsorily Convertible Preference shares (CCPS) of Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited) of ₹ 30,682.70 lakhs comprising of 306,827,040 CCPS of ₹ 10 each to Power Trust on December 29, 2017 along with encumbrances for which necessary approvals need to be obtained. Consequent to above Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited) has ceased to be an associate.

## 7.5 Details of Subsidiaries, Joint ventures and Associate in accordance with Ind AS 112 "Disclosure of interests in other entities"

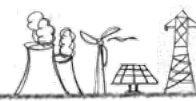
### (a) Investment in Subsidiaries

Name of the Company	Principal Activity	Note No.	Country of Incorporation	Proportion of ownership interest held by the Company	
				As at 31st March, 2018	As at 31st March, 2017
India Power Corporation (Bodhgaya) Limited	Electricity Distribution franchise business in Gaya		India	100.00	100.00
IPCL Power Trading Private Limited	Inter state trading of electricity		India	99.81	99.81
IPCL Pte. Ltd.	Exploring electricity business development opportunities in India and abroad		Singapore	100.00	100.00
Edison Power Limited (Subsidiary of IPCL Pte Limited) (upto 27.06.2017)	Exploring electricity business development opportunities in India and abroad		Jersey	-	51.00
India Power Green Utility Private Limited (IPGUPL)	Developing or acquiring green assets portfolio of green energy		India	100.00	100.00
PL Solar Renewable Limited (Subsidiary of IPGUPL)	Generation of solar power		India	49.00	49.00
PL Sunrays Power Limited (Subsidiary of IPGUPL)	Generation of solar power		India	49.00	49.00
PL Surya Vidyut Limited (Subsidiary of IPGUPL)	Generation of solar power		India	49.00	-
Meenakshi Energy Limited	Generation of thermal power	7.3	India	95.19	95.07

### (b) Investment in Joint ventures

Name of the Company	Principal Activity	Note No.	Country of Incorporation	Proportion of ownership interest held by the Company	
				As at 31st March, 2018	As at 31st March, 2017
Matsya Shipping & Ports Private Limited	Foray into shipping and ports sector		India	50.00	50.00
India Uniper Power Services Private Limited	Assets management services for power generating assets		India	50.00	50.00





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 7.5 Details of Subsidiaries, Joint ventures and Associate in accordance with Ind AS 112 "Disclosure of interests in other entities" (Contd.)

#### (c) Investment in Associate

Name of the Company	Principal Activity	Note No.	Country of Incorporation	Proportion of ownership interest held by the Company	
				As at 31st March, 2018	As at 31st March, 2017
Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited)	Generation of thermal power	7.4	India	-	30.61

### 7.6 Summarised financial information for joint ventures

The tables below provide summarised financial information for those joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures. They have been amended to reflect adjustments made by the entity using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(₹ in lakhs)

Summarised balance sheet	Matsya Shipping & Ports Private Limited		India Uniper Power Services Private Limited	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
<b>Current Assets</b>				
Cash and cash equivalents	1.14	2.42	142.42	624.52
Other Assets	-	-	1,077.44	4.41
<b>Total Current Assets</b>	<b>1.14</b>	<b>2.42</b>	<b>1,219.86</b>	<b>628.93</b>
<b>Total Non current assets</b>	<b>-</b>	<b>-</b>	<b>27.81</b>	<b>1.34</b>
<b>Current liabilities</b>				
Financial liabilities	5.86	5.16	447.95	9.68
Other liabilities	0.09	0.02	45.01	56.04
<b>Total Current Liabilities</b>	<b>5.95</b>	<b>5.18</b>	<b>492.96</b>	<b>65.72</b>
<b>Non Current liabilities</b>				
Financial liabilities (excluding trade payable)	-	-	-	-
Other liabilities	-	-	16.99	0.95
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>16.99</b>	<b>0.95</b>
<b>Net Assets</b>	<b>(4.81)</b>	<b>(2.76)</b>	<b>737.72</b>	<b>563.60</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 7.6 Summarised financial information for joint ventures (Contd.)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Joint Venture recognised in the consolidated financial statement.

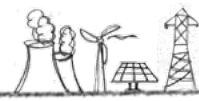
(₹ in lakhs)

Particulars	Matsya Shipping & Ports Private Limited		India Uniper Power Services Private Limited	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
<b>Opening Net assets</b>	<b>1.00</b>	-	<b>592.17</b>	-
Equity share issued	-	1.00	-	705.00
Profit/(Loss) for the year	(2.05)	-	176.03	(112.83)
Other Comprehensive income	-	-	(1.91)	-
Dividend paid	-	-	-	-
<b>Closing net assets</b>	<b>(1.05)</b>	<b>1.00</b>	<b>766.29</b>	<b>592.17</b>
Proportion of the Group's ownership interest in JV ( % )	50	50	50	50
Proportion of the Group's ownership interest in JV	-	0.50	383.15	296.09
<b>Carrying amount</b>	-	<b>0.50</b>	<b>383.15</b>	<b>296.09</b>

(₹ in lakhs)

Summarised Statement of Profit and Loss	Matsya Shipping & Ports Private Limited		India Uniper Power Services Private Limited	
	Year Ended 31st March, 2018	For the period 27th March, 2017 to 31st March, 2017	Year Ended 31st March, 2018	For the period 6th January, 2017 to 31st March, 2017
Revenue	-	-	1,855.28	-
Interest Income	-	-	44.21	-
Depreciation and amortisation expenses	-	-	-	(0.12)
Interest expenses	(0.65)	-	(0.18)	(0.59)
Other expenses	(1.40)	-	(1,707.15)	(112.12)
Income tax expenses	-	-	(16.13)	-
Profit for the year	(2.05)	-	176.03	(112.83)
Other Comprehensive income	-	-	(1.91)	-
Total Comprehensive Income	(2.05)	-	174.12	(112.83)
Dividend received	-	-	-	-





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 7.7 Loss of Control over subsidiary

### (a) Gain/(Loss) on sale of shares of subsidiary :

(₹ in lakhs)

Particulars	Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	Matsya Shipping & Ports Private Limited	India Uniper Power Services Private Limited
	31st March, 2017	27th March, 2017	6th January, 2017
Consideration	49,046.00	0.50	2.50
Carrying amount of net assets sold	49,046.00	(2.76)	(23.57)
Fair Value of retained investment	-	0.50	2.50
Gain on sale before income tax	-	3.75	28.57
Income tax expense on gain	-	-	-
<b>Gain on sale after income tax</b>	-	<b>3.75</b>	<b>28.57</b>

### (b) Other Financial Information :

- (i) The carrying amounts of assets and liabilities as at the date of sale of Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited) (March 31, 2017), Matsya Shipping & Ports Private Limited (March 27, 2017) and India Uniper Power Services Private Limited (August 2, 2016 to January 6, 2017) were as follows:

(₹ in lakhs)

Particulars	Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	Matsya Shipping & Ports Private Limited	India Uniper Power Services Private Limited
	31st March, 2017	27th March, 2017	6th January, 2017
Property, Plant & Equipment	3,910.31	-	0.69
Capital Work in Progress	312,426.08	-	-
Intangible assets	3.63	-	-
Non-Current assets	93.93	-	-
Current Assets	35,231.76	2.42	8.42
<b>Total Assets</b>	<b>351,665.71</b>	<b>2.42</b>	<b>9.11</b>
Non-Current Liabilities	210,144.81	-	-
Current Liabilities	41,322.63	5.18	32.69
<b>Total Liabilities</b>	<b>251,467.44</b>	<b>5.18</b>	<b>32.69</b>
<b>Net Assets</b>	<b>100,198.27</b>	<b>(2.76)</b>	<b>(23.57)</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 7.7 Loss of Control over subsidiary (Contd.)

#### (b) Other Financial Information : (Contd.)

(ii) Summarised Statement of Profit and Loss and Cash Flows at the date of Sale were as follows :

(₹ in lakhs)

Particulars	Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited)	Matsya Shipping & Ports Private Limited	India Uniper Power Services Private Limited
	31st March, 2017	27th March, 2017	2nd August, 2016 to 6th January, 2017
Revenue	3.00	-	-
Expenses	9.12	3.76	28.57
Profit before income tax	(6.12)	(3.76)	(28.57)
Income tax expense	4.24	-	-
Profit after income tax	(10.36)	(3.76)	(28.57)
Net cash inflow/(outflow) from operating activities	(1,533.93)	(3.58)	4.12
Net cash inflow/(outflow) from investing activities	(50,386.46)	-	(0.73)
Net cash inflow/(outflow) from financing activities	70,347.94	5.00	5.00
<b>Net Increase/(Decrease) in cash generated</b>	<b>18,427.55</b>	<b>1.42</b>	<b>8.39</b>

### 8 NON-CURRENT FINANCIAL ASSET - LOANS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
<b>Unsecured Considered Good unless otherwise stated</b>		
<b>Carried at amortised cost</b>		
Deposits	169.88	196.91
Advances to Employees	1.79	-
Advance Recoverable	-	2.19
<b>Total</b>	<b>171.67</b>	<b>199.10</b>

### 9 NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Carried at amortised cost</b>			
Fixed Deposit with banks having maturity of more than 12 Months	9.1	279.84	275.91
Receivable Against Encashment of Bank Guarantee		1,000.00	1,000.00
Other Receivables		500.00	500.00
<b>Carried at fair value through other comprehensive income</b>			
Beneficial Interest in Power Trust	9.2	81,871.84	81,878.04
<b>Total</b>		<b>83,651.68</b>	<b>83,653.95</b>

9.1 (a) Includes ₹ 22.11 lakhs (nil as on March 31, 2017) kept as margin money with bank and ₹ 257.73 lakhs (₹ 211.06 lakhs as on March 31, 2017) kept with bank as lien against repayment of term loans.

(b) Includes Nil (₹ 62 lakhs as on March 31, 2017) being investment against Unforeseen exigencies fund and Nil (₹ 2.85 lakhs as on March 31, 2017) being investment against Unforeseen exigencies Interest fund.







# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

**9.2** Beneficial interest in Power Trust represent investments in Company's shares, associates and other unlisted companies net off borrowings and liabilities pertaining to investment division of erstwhile IPCL transferred to the said Power Trust in terms of the scheme of amalgamation (refer note 4). Considering that the Company's shares are held by an independent trust and are meant for sale in terms of Hon'ble Calcutta High Court order the beneficial interest (including Company's shares) has been treated as financial assets and fair valuation as required in terms of Ind AS 109 has been carried out by an independent firm of chartered accountant and the resultant decrease of ₹ 6.20 lakhs (₹ 22.80 lakhs as on March 31,2017) in value thereof, has been adjusted with other comprehensive income.

**9.3** Refer Note 4.1 for Company's shares transferred and held by Power Trust.

## 10 NON-CURRENT ASSETS - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Advance against goods services &amp; Others</b>			
<b>Unsecured Considered Good unless otherwise stated</b>			
Prepaid Expenses		298.15	269.93
Capital Advance		9,949.17	16,548.50
Advance Others	10.1	1,206.33	855.82
Long term Deposit	10.1	4,205.55	4,205.55
<b>Total</b>		<b>15,659.20</b>	<b>21,879.80</b>

**10.1** 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 ₹ 4,205.55 lakhs and maintenance amount of ₹ 598.44 lakhs including ₹ 191.12 lakhs paid during the year 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 (debt and the security interests) 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, further maintenance amount of ₹ 605.89 lakhs including ₹ 159.39 lakhs paid during the year has been paid as part of recoveries in this connection. Consequential adjustments shall be carried out by the Company on resolution of financial assets and shall be accounted for on determination of amount thereof.

## 11 INVENTORIES

(At lower of cost or net realisable value)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Coal	11.1	2,700.26	3,637.47
Diesel		86.86	42.70
Stores and Spares	11.1	4,633.42	4,696.40
Loose Tools	11.1	4.59	2.66
<b>Total</b>		<b>7,425.13</b>	<b>8,379.23</b>

**11.1** Refer note 28 for charge against inventories.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Secured</b>			
Considered good	12.1	1,430.42	1,160.29
<b>Total Secured</b>		<b>1,430.42</b>	<b>1,160.29</b>
<b>Unsecured</b>			
Considered good		23,139.49	19,604.19
Considered Doubtful		91.81	84.63
		23,231.30	19,688.82
Less: Allowance for bad and doubtful debt		91.81	84.63
<b>Total Unsecured</b>		<b>23,139.49</b>	<b>19,604.19</b>
<b>Total</b>	12.3	<b>24,569.91</b>	<b>20,764.48</b>

**12.1** Secured by security deposits received from the respective consumers.

**12.2** The Group extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per Power Purchase agreements (PPA) entered with DISCOMs for non regulatory business. Consumer's outstanding balances are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business is covered with PPA with government undertakings and in case of regulated business outstanding are as governed by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No objection certificate" from the Group. The Group has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent.

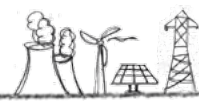
(₹ in lakhs)

Particulars	Within Credit period	Upto 6 Months	6 to 12 Months	Above 12 months	Total
<b>Trade Receivable</b>					
<b>As at 31st March 2018</b>					
Secured	1,049.09	156.53	207.33	17.47	1,430.42
Unsecured	4,852.73	5,088.55	4,931.27	8,358.75	23,231.30
Gross Total	5,901.82	5,245.08	5,138.60	8,376.22	24,661.72
Less: Allowance for bad and doubtful debt	-	-	-	91.81	91.81
<b>Net Total</b>	<b>5,901.82</b>	<b>5,245.08</b>	<b>5,138.60</b>	<b>8,284.41</b>	<b>24,569.91</b>
<b>As at 31st March 2017</b>					
Secured	1,022.41	1.08	134.16	2.64	1,160.29
Unsecured	8,087.84	4,139.67	2,053.47	5,407.84	19,688.82
Gross Total	9,110.25	4,140.75	2,187.63	5,410.48	20,849.11
Less: Allowance for bad and doubtful debt	-	-	-	84.63	84.63
<b>Net Total</b>	<b>9,110.25</b>	<b>4,140.75</b>	<b>2,187.63</b>	<b>5,325.85</b>	<b>20,764.48</b>

**12.3** Includes ₹ 444.43 lakhs recoverable from SBPDCL on account of payments made in advance by the consumers prior to taking over the operation by the subsidiary, India Power Corporation (Bodhgaya) Limited.

**12.4** Refer note 28 for charge against the outstanding amount.





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 12.5 Movement in allowance for bad and doubtful debt

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Opening Balance	84.63	66.64
Additions	17.93	35.76
Reversals	(10.75)	(17.77)
<b>Closing Balance</b>	<b>91.81</b>	<b>84.63</b>

## 13 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Cash and Cash Equivalent			
Balances with Banks			
Current Account		2,698.08	6,189.45
Cash on hand		8.79	8.95
Digital Money	13.1	2.33	-
Deposit with original maturity less than 3 months		-	2.00
<b>Total</b>		<b>2,709.20</b>	<b>6,200.40</b>

13.1 Digital money to be received on T+1 basis as per contract with Paytm.

## 14 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Other Balances with Banks			
Fixed deposit	14.1	8,518.90	11,798.12
Current Account - Unforeseen Exigencies Reserve Fund		0.11	0.11
Unpaid Dividend	30.1	168.64	78.03
Others		1,294.28	-
<b>Total</b>		<b>9,981.93</b>	<b>11,876.26</b>

14.1 (a) Includes ₹ 465.33 lakhs (₹ 919.98 lakhs as on March 31, 2017) kept as margin money with bank and ₹ 352.07 lakhs (₹ 492.26 lakhs as on March 31, 2017) kept with bank as lien against repayment of term loans.

(b) Includes ₹ 389.84 lakhs (₹ 189.24 lakhs as on March 31, 2017) being investment against Unforeseen exigencies fund and ₹ 187.29 lakhs (₹ 153.59 lakhs as on March 31, 2017) being Investment against Unforeseen exigencies Interest fund.

(c) Includes ₹ Nil (₹ 4,523.40 lakhs as on March 31, 2017) kept as margin money against Bank guarantee issued in favour of lenders of Meenakshi Energy limited.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 15 CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Unsecured Considered Good unless otherwise stated</b>			
<b>Carried at amortised cost</b>			
Loan to related parties	46.1	5.00	5.00
Loan to employees		4.75	9.19
Security Deposit		1,181.00	403.71
Loan to a body corporate		403.40	620.00
Advance Recoverable		1.95	1.46
<b>Total</b>		<b>1,596.10</b>	<b>1,039.36</b>

## 16 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Unsecured Considered Good unless otherwise stated</b>			
Interest Accrued		112.10	498.82
Receivable from Power Trust	7.4 & 16.3	48,948.77	18,446.07
Receivable - Others	16.1	3,015.70	2,468.10
Receivable - Misc Services		-	488.19
Advance to related party		195.03	46.67
Advance - Employees & Others		23.01	18.25
Interest Recoverable		2,278.76	901.28
Interest Recoverable - Term Loans		31,314.81	27,565.43
Unbilled Revenue		1,084.46	4,722.24
Others		4.61	1.74
<b>Total</b>		<b>86,977.25</b>	<b>55,156.79</b>

- 16.1** The lease of Chinakuri Power Station (CPS) with Eastern Coal Fields limited (ECL) has expired on March 31, 2012 and in terms of lease agreement ECL is required to take over all assets at respective Written Down Value as on the date of termination of the lease. In terms of the arbitration order passed by Arbitration Tribunal, handing / taking over of vacant and peaceful possession of CPS has been completed on October 6, 2016, and thereby the resultant amount of ₹ 2,468.10 lakhs has been shown as recoverable from ECL.
- 16.2** The Company's claim / counter claim from ECL with respect to above and ECL's claim against the Company in this respect are under arbitration pursuant to the order of Hon'ble Supreme Court of India. Adjustment in this respect will be given effect to as and when determined.
- 16.3** Receivable from Power Trust represents amount recoverable against sale of Compulsorily Convertible Preference Shares during the year (refer note 7.4) and Fully and Compulsorily Convertible Debentures of Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) to Power Trust net of loan of ₹ 30,600.00 lakhs taken from India Power (Tuticorin) Private Limited, which in terms of an agreement dated March 31, 2017 has been assigned to said Trust.





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 17 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Advance to Suppliers & Others	15,354.04	9,751.87
Land Lease Prepayment	19.93	2.76
Other Advances	18.20	15.77
Prepaid Expenses	498.30	340.58
Balance with Government Statutory Authorities	28.07	0.55
Tax Deducted at source/Advance Tax	7.27	-
Others	83.45	-
<b>Total</b>	<b>16,009.26</b>	<b>10,111.53</b>

### 18 REGULATORY DEFERRAL ACCOUNT BALANCES

#### (a) Debit balances

(₹ in lakhs)

Particulars	Receivable Against APR Orders	Fuel and Power Purchase Cost Adjustments	Other Adjustments based on Tariff Regulations	Others	Total
<b>As at April 1, 2016</b>	2,794.77	4,122.01	6,527.12	4,617.23	18,061.13
Balance arising in the period	-	-	720.41	-	720.41
Recovery/(Reversal)	(2,794.77)	(1,728.56)	(1,766.04)	(4,617.23)	(10,906.60)
<b>Closing Balance as on March 31, 2017</b>	-	2,393.45	5,481.49	-	<b>7,874.94</b>
Balances arising in the period	-	-	3,539.86	-	3,539.86
Recovery/(Reversal)	-	(1,456.34)	-	-	(1,456.34)
<b>Closing Balance as on March 31, 2018</b>	-	<b>937.11</b>	<b>9,021.35</b>	-	<b>9,958.46</b>

#### (b) Credit Balances

(₹ in lakhs)

Particulars	Note No	Fuel and Power Purchase Cost Adjustments	Total
<b>As at April 1, 2016</b>		-	-
Balance arising in the period		3,077.57	3,077.57
Recovery/(Reversal)		-	-
<b>Closing Balance as on March 31, 2017</b>		<b>3,077.57</b>	<b>3,077.57</b>
Balances arising in the period	18.2	1,936.51	1,936.51
Recovery/(Reversal)		-	-
<b>Closing Balance as on March 31, 2018</b>		<b>5,014.08</b>	<b>5,014.08</b>

#### (c) Regulatory Income/(Expense) (net)

(₹ in lakhs)

Particulars	Note No	Year ended 31st March, 2018	Year ended 31st March, 2017
Fuel and Power Purchase Cost Adjustment	18.2	(1,936.51)	(3,077.57)
Other Adjustments based on Tariff Regulations and orders	18.2	3,539.86	720.41
<b>Total</b>		<b>1,603.35</b>	<b>(2,357.16)</b>





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 18.1 Tariff regulations, risks and uncertainties

In the State of West Bengal tariff for electricity are determined by West Bengal Electricity Regulatory Commission (WBERC/Commission).

- Multi year tariff (MYT) proposal giving therein details for appropriate capital structure to meet the capital investment plan with details of cost of financing including interest cost on debt and return on equity, expected sales for the years and the 'Annual Revenue Requirement' (ARR) covering both variable and fixed cost is submitted to WBERC. Commission examines the MYT proposals thereafter and tariff is determined for different categories of consumers. At the end of the financial year, "Annual Performance Review" (APR) petition for fixed cost and Fuel and Power Purchase Cost Adjustment (FPPCA) for variable cost is submitted to WBERC. WBERC reviews cost incurred under two categories as defined in Tariff regulation as "Controllable" and "Uncontrollable". In case of Uncontrollable cost all increase are allowed on actual basis and for Controllable cost, the commission may disallow any increase if these are not considered to be justifiable.
- The tariff regulation prescribes various normative operational and financial parameters for the Company. Any variation thereof may lead to disallowances. The Company is exposed to regulatory risk to the extent accruals are disallowed on assessment.
- As per the Tariff Regulation any increase in variable cost is

allowed to be recovered from consumers based on formula prescribed in the tariff regulation for "Fuel and Power Purchase Cost Adjustment" (FPPCA) as 'monthly variable cost adjustment' (MVCA). FPPCA recoverable/ refundable, reliability incentive etc is accounted for as regulatory income/(expense) in the statement of Profit and Loss.

- Regulatory deferral balances relate to FPPCA and Reliability incentives created on the basis of latest declared tariff order. Accruals on account of FPPCA and reliability incentives etc are recognised in books as per formula prescribed in Tariff Regulation Reversal/ accrual are carried out in the year in which Tariff, FPPCA and APR orders are received. Recovery of the regulatory deferral balances are carried out in the manner and instalments as allowed by WBERC.

- 18.2** Payable on account of FPPCA of ₹ 1,936.51 lakhs for the year has been recognised on the basis of formulae prescribed under the applicable Tariff Regulations, and is net of ₹ 912.32 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. The Company is entitled for incentive and gains including incentive for reliability in power supply and accordingly based on applicable norms as per Tariff regulation, ₹ 3,539.86 lakhs have been recognised. 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.

## 19 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	31st March, 2018		31st March, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
10% 'A' Cumulative preference shares of ₹ 100 each	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of ₹ 100 each	12,000	12.00	12,000	12.00
Equity Shares of ₹ 1 each	16,997,200,000	169,972.00	16,997,200,000	169,972.00
<b>Issued, Subscribed and fully paid up equity shares</b>				
Equity Shares of ₹ 1 each	973,789,640	9,737.90	973,789,640	9,737.90
<b>Total</b>	<b>973,789,640</b>	<b>9,737.90</b>	<b>973,789,640</b>	<b>9,737.90</b>

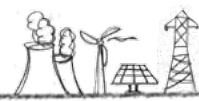
**19.1** The Company has only one class of equity shares having a par value of ₹ 1 each. Each share has one voting right.

**19.2** There is no movement in the number of shares outstanding and the amount of Share Capital as at March 31, 2018 and March 31, 2017.

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

Name of the Shareholders	31st March, 2018	31st March, 2017
	No. of Shares	No. of Shares
Erstwhile India Power Corporation Limited (refer Note 4.1)	516,132,374	516,132,374
Power Trust (held in the name of the Trustee of the trust)	324,053,397	326,316,563
Aksara Commercial Private Limited	63,199,293	63,199,293





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

**19.4** 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 4.1.

## 20 OTHER EQUITY

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Capital Reserve			
- Contribution from Consumers towards Service Lines	20.1	2,497.61	2,103.76
- Other Capital Reserve	20.2	82.47	82.47
- Capital Reserve on acquisition	20.3	374,898.79	374,633.85
Debenture Redemption Reserve	20.4	2,350.00	2,350.00
General Reserve	20.5	77,403.62	77,403.62
Reserve for Unforeseen Exigencies fund	20.6	617.25	516.95
Reserve for Unforeseen Exigencies Interest fund	20.6	282.97	224.08
Foreign Currency Translation Reserve	20.7	(7.40)	26.25
Retained Earnings	20.8	29,329.40	27,780.31
Other Comprehensive Income (OCI)	20.10		
- Remeasurement of defined benefit plan		(650.28)	(543.10)
- Fair Value of beneficial interest in Power Trust and equity instruments through OCI		82.57	82.36
<b>Total</b>		<b>486,887.00</b>	<b>484,660.55</b>

**20.1** 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 treated as capital reserve.

**20.2** Reserve arising on amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as other capital reserve.

**20.3** The Capital Reserve on acquisition represents the additional net assets received by the Group pursuant to the acquisition of the below mentioned companies and is net of ₹ 2.67 lakhs recognised as Goodwill on acquisition in earlier years in respect of acquisition of a subsidiary.

(a) India Power Green Utility Private Limited (subsidiary of the Company), acquired in financial year 2017-18 one company PL Surya Vidyut Limited and in the financial year 2016-17 two companies PL Solar Renewable Limited and PL Sunrays Power Limited.

(b) The Company acquired 95.07 % equity stake of Meenakshi Energy Limited (MEL) w.e.f. September 30, 2016 consequent to which MEL became the subsidiary of the Company.

During the year, pursuant to an agreement with Meenakshi Energy Limited (MEL), the Company has been allotted 100,234,046 equity shares of ₹ 10 each of MEL by conversion of its loan of ₹ 10,023.40 lakhs.

**20.4** Debenture Redemption Reserve is required to be created out of the profits available for payment of dividend in terms of Section 71 of the Companies Act, 2013 which is equal to 25% of the face value of the debentures issued and outstanding. The reserve will be released on redemption of the debentures.

**20.5** (a) The general reserve is created from time to time by appropriating profits from retained earnings at the discretion of the Company. As the general reserve is created by a transfer from one component of equity to another, and accordingly it is not reclassified to the Statement of profit and loss.

(b) General Reserve include ₹ 56,887.09 lakhs being General reserve of amalgamating company in terms of Note 4. Further, reserve of ₹ 20,079.84 lakhs arising on amalgamation as stated in note 4.2 has also been included therein.

**20.6** Reserve for unforeseen exigencies reserve are created in terms of the Tariff Regulation issued by West Bengal Electricity Regulatory Commission. The sum appropriated to 'Reserve for unforeseen exigencies' are to be invested in specified securities and financial instruments (fixed deposit) at Nationalised bank. The interest accrued from such investment is reinvested and kept under - 'Reserve for unforeseen exigencies Interest fund'. The aforesaid reserves or fund shall be drawn upon only to meet such charges as the Commission may approve.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

**20.7** Foreign Currency Translation Reserves has been created for exchange differences relating to translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹).

**20.8** Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Group.

**20.9 Dividend Distribution**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.

On August 12, 2017 a dividend pertaining to the financial year 2016-2017 of ₹ 0.05 per equity shares aggregating to ₹ 228.83 Lakhs and the dividend distribution tax of ₹ 47.14 lakhs has been approved for payment to equity shareholders of the Company.

In respect of the year ended March 31, 2018, the Board of Directors has recommended a dividend of ₹ 0.05 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

**20.10** (a) OCI represent actuarials gains and losses on defined benefit obligations and

(b) The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed. This will not be reclassified to statement of Profit and Loss.

**20.11** Refer Statement of changes in Equity for movement in balances of reserves.

## 21 NON-CONTROLLING INTEREST

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Balance at the beginning of year	20,126.22	20,471.35
Share of profit for the year	25.27	692.91
Non-controlling interest arising on the acquisition	(27.10)	(1,038.04)
<b>Closing Balance</b>	<b>20,124.39</b>	<b>20,126.22</b>

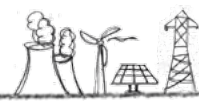
**21.1** The details (Principal place of operation/country of incorporation, principal activities and percentage of ownership interest and voting power (direct held by the Group) of subsidiaries are set out in Note no 7.5.

(₹ in lakhs)

(a) Name of Subsidiary	Proportion of ownership interests		Profit/(Loss) Allocated to non-controlling Interests		Accumulated non-controlling Interests	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
IPCL Power Trading Private Limited	99.81%	99.81%	0.04	0.05	1.13	1.08
Edison Power Limited*	-	51.00%	19.42	(6.94)	-	(16.49)
Meenakshi Energy Limited	95.19%	95.07%	5.81	710.17	20,123.26	20,141.63
Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited)	-	-	-	(10.37)	-	-
<b>Total</b>			<b>25.27</b>	<b>692.91</b>	<b>20,124.39</b>	<b>20,126.22</b>

\* Edison Power Limited has been liquidated on June 27, 2017.





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- (b) Summarised financial information of each of the subsidiaries having material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations:

(₹ in lakhs)

Particulars	IPCL Power Trading Private Limited		Edison Power Limited		Meenakshi Energy Limited	
	31st March, 2018	31st March, 2017	27th June, 2017	31st March, 2017	31st March, 2018	31st March, 2017
<b>Assets</b>						
Non current assets	2.37	1.30	-	-	639,670.42	565,977.57
Current assets	1,727.84	8,347.69	-	47.08	89,705.19	162,529.04
<b>Liabilities</b>						
Non current liabilities	4.97	1.07	-	62.06	261,897.32	288,129.08
Current liabilities	1,140.93	7,786.02	-	16.24	78,971.93	6,195.26
<b>Equity attributable to owners of the Company</b>	<b>583.18</b>	<b>560.81</b>	-	(14.73)	<b>368,383.10</b>	<b>414,040.64</b>
<b>Non Controlling Interest</b>	<b>1.13</b>	<b>1.08</b>	-	(16.49)	<b>20,123.26</b>	<b>20,141.63</b>

(₹ in lakhs)

Particulars	IPCL Power Trading Private Limited		Edison Power Limited		Meenakshi Energy Limited	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Period ended 27th June, 2017	Year ended 31st March, 2017	Year ended 31st March, 2018	Period ended 1st October, 2016 to 31st March, 2017
Revenue	8,586.16	8,047.45	91.78	-	41,218.72	18,618.13
Expense	8,554.98	8,009.90	52.54	13.60	44,887.65	31,794.83
Net profit/(loss) before tax and exceptional items	31.18	37.55	39.24	(13.60)	(3,668.93)	(13,176.70)
Exceptional items	-	-	-	-	3,749.38	27,565.43
Net profit/(loss) before tax	31.18	37.55	39.24	(13.60)	80.45	14,388.73
Tax	7.91	11.57	-	-	-	-
Net profit/(loss) for the year	23.27	25.98	39.24	(13.60)	80.45	14,388.73
Profit/(Loss) attributable to owners of the Company	23.23	25.93	19.82	(6.66)	75.61	13,678.56
Profit/(Loss) attributable to owners of Non-Controlling interest	0.04	0.05	19.42	(6.94)	4.84	710.17
Other Comprehensive Income	(0.85)	0.30	-	-	20.25	3.73
Total Comprehensive Income	22.41	26.28	39.24	(13.60)	100.70	14,392.46
Total Comprehensive Income attributable to owners of the Company	22.37	26.23	19.82	(6.66)	94.89	13,682.29
Total Comprehensive Income attributable to Non-Controlling interest	0.04	0.05	19.42	(6.94)	5.81	710.17

(₹ in lakhs)

Particulars	IPCL Power Trading Private Limited		Edison Power Limited		Meenakshi Energy Limited	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Period ended 27th June, 2017	Year ended 31st March, 2017	Year ended 31st March, 2018	Period ended 1st October, 2016 to 31st March, 2017
Net cash inflow/(outflow) from operating activities	(270.67)	415.43	(0.74)	(11.66)	7,182.95	(1,748.05)
Net cash inflow/(outflow) from investing activities	669.47	(580.78)	-	-	(13,486.63)	(135,767.67)
Net cash inflow/(outflow) from financing activities	(215.67)	164.39	-	(5.68)	2,431.98	(1,202.52)
Net cash inflow/(outflow)	183.13	(0.96)	(0.74)	(17.34)	(3,871.70)	(138,718.24)
Dividend paid to Non-controlling interest (including tax)	-	-	-	-	-	-



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 22 NON CURRENT FINANCIAL LIABILITY - BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018			31st March, 2017		
		Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
<b>Secured</b>							
Non Convertible Debentures	22.1	5,557.35	2,353.00	7,910.35	7,910.36	1,938.36	9,848.72
<b>Term Loan</b>							
- from Banks	22.2 & 22.4	186,409.12	26,062.62	212,471.74	205,038.49	8,460.78	213,499.27
- from Other Financial Institutions	22.3 & 22.4	116,923.73	13,320.60	130,244.33	118,682.40	9,752.95	128,435.35
<b>Unsecured</b>							
- Finance lease obligation		22.18	-	22.18	22.19	-	22.19
<b>Total</b>		<b>308,912.38</b>	<b>41,736.22</b>	<b>350,648.60</b>	<b>331,653.44</b>	<b>20,152.09</b>	<b>351,805.53</b>

### In respect of the Company

**22.1 (i)** Includes 10.75 % Secured Redeemable Non Convertible Debentures aggregating to ₹ 5,910.35 lakhs (₹ 7,848.72 lakhs as on March 31, 2017) 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 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).

**22.1 (ii)** Includes 12 % Secured Redeemable Non Convertible Debentures aggregating to ₹ 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 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.

**22.2 (i)** Includes term loan of ₹ 2,209.68 lakhs (₹ 2,649.12 lakhs as on March 31, 2017) at 1 year MCLR plus 3.2% 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 ₹ 10,000 lakhs given in note 21.1 (a).

**22.2 (ii)** Includes term loan of ₹ 6,177.44 lakhs (₹ 6,819.43 lakhs as on March 31, 2017) at MCLR plus 1.9% and is repayable in 9 years from 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.

**22.2 (iii)** Include loan of ₹ 22,655.99 lakhs (₹ 22,687.31 lakhs as on March 31, 2017) availed as renewal cum sanction of working capital facilities at three months MCLR plus 1.40% 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.

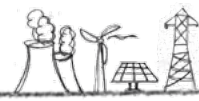
**22.2 (iv)** Includes term loan of ₹ 4,000.00 lakhs (₹ 4,750 lakhs as on March 31, 2017) at 1 year MCLR plus 1% repayable in 16 quarterly instalments with effect from 8th December 2016 and is secured by exclusive first charge on movable and other fixed assets of Dishergarh Receiving Station, Parbelia Substation and Dishergarh Power Station of the Company both present and future and negative lien on certain immovable fixed assets.

**22.2 (v)** Includes term loan of ₹ 682.05 lakhs (₹ 745.74 lakhs as on March 31, 2017) at 1 year MCLR plus 2.75% 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.

**22.2 (vi)** Includes term loan of ₹ 592.71 lakhs ( Nil as on March 31, 2017) at MCLR plus 1.25% and is repayable in 48 equal quarterly instalments with moratorium of 15 month from COD of the Project and is secured by hypothecation of the assets acquired out of the term loan i.e. 132 kv traction power to Eastern Railway Pandeweswar TS.







# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

**22.2 (vii)** Includes term loan of ₹ 41.91 lakhs (Nil as on March 31, 2017) at the rate of 8.80% repayable in 48 monthly instalments is secured against the asset purchased out of the Loan.

**22.2 (viii)** Includes term loan of ₹ 59.05 lakhs (Nil as on March 31, 2017) at the rate of 8.76% repayable in 36 monthly instalments is secured against the asset purchased out of the Loan.

## **In respect of the subsidiary India Power Corporation (Bodhgaya) Limited.**

**22.2 (ix)** Includes Term loan of ₹ Nil (₹ 225 lakh as at 31st March, 2017) at bank base rate plus 1% and is repayable after moratorium of Six month from 14th July, 2015 in 10 equal quarterly instalments and is secured by 2nd pari passu charge on current assets both present and future.

**22.2 (x)** Includes term loan of ₹ 3,000 lakh at fixed rate of 9.75% is repayable in bullet after tenor of 111 months i.e., 22nd November, 2026. The loan is secured by way of first pari passu charges on all movable and immovable fixed assets (now reclassified as intangible assets as per Ind AS) of the Company and secured pari passu charges on all book debts, stock and bank balance (both present & future).

## **In respect of the subsidiary Meenakshi Energy Limited**

**22.2 (xi)** Includes term loan from bank of ₹ 83,096.20 lakhs (₹ 83,096.20 lakhs as at 31st March, 2017) at SBI MCLR Rate (1 year) plus a spread of 485 basis points during pre-COD (Commercial Operation Date) period and a spread of 435 basis points during post-COD period as on 31st March 2018, the repayment period is 48 quarterly instalments starting December 31, 2018. For Standby Loan facility and Additional loan facility from banks, not yet availed by the Company as at March 31, 2018, the repayment period is 48 quarterly instalments starting from the Third Quarter of the year 2018-19. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xii)** Includes term loan from bank of ₹ 4,078.49 lakhs (₹ 4,077.92 lakhs as at 31st March 2017) at SBI MCLR Rate (1 year) plus a spread of 485 basis points during pre-COD (Commercial Operation Date) period and a spread of 435 basis points during post-COD period as on 31st March 2018, the repayment period is 30 quarterly instalments starting from December 31, 2018. For Standby Loan facility and Additional loan facility from

banks, not yet availed by the Company as at March 31, 2018, the repayment period is 48 quarterly instalments starting from the Third Quarter of the year 2018-19. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xiii)** Includes term loan from bank of ₹ 4,311.65 lakhs (₹ 4,310.49 lakhs as at 31st March, 2017) at SBH Base rate plus a spread of 400 basis points during pre and post-COD period as on 31st March 2018, the repayment period is 44 quarterly instalments starting from December 31, 2018 for the existing loan. For Standby Loan facility and Additional loan facility from banks, not yet availed by the Company as at March 31, 2018, the repayment period is 48 quarterly instalments starting from December 31, 2018. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xiv)** Includes term loan from bank of ₹ 3,871.34 lakhs (₹ 3,870.51 lakhs as at 31st March 2017) at SBI MCLR Rate (1 year) plus a spread of 485 basis points during pre-COD (Commercial Operation Date) period and a spread of 435 basis points during post-COD period as on 31st March 2018, the repayment period is 44 quarterly instalments starting from December 31, 2018 for the existing loan. For Standby Loan facility and Additional loan facility from banks, not yet availed by the Company as at March 31, 2018, the repayment period is 48 quarterly instalments starting from December 31, 2018. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xv)** Includes term loan from bank of ₹ 6,633.15 lakhs (₹ 6,618.95 lakhs as at 31st March 2017) at SBM MCLR Rate (1 year) plus a spread of 450 basis points during pre-COD (Commercial Operation Date) period and a spread of 400 basis points during post-COD period as on 31st March 2018, the repayment period is 44 quarterly instalments starting from December 31, 2018 for the existing loan. For Standby Loan facility and Additional loan facility from banks, not yet availed by the Company as at March 31, 2018, the repayment period is 48 quarterly instalments starting from December 31, 2018. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xvi)** Includes term loan from bank of ₹ 883.21 lakhs (₹ 882.73 lakhs as at 31st March 2017) at PSB MCLR rate (1 year) plus a spread of 440 basis points during pre-COD and a spread of 390 basis points during post-COD period as on 31st March 2018, the repayment period is 44 quarterly instalments starting from December 31, 2018 for the existing loan. For Standby Loan facility and Additional loan facility from banks, not yet availed by the Company as at March 31, 2018, the repayment period is 48 quarterly instalments starting from December 31, 2018. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xvii)** Includes term loan from bank of ₹ 2,646.46 lakhs (₹ 2,645.75 lakhs as at 31st March 2017) at IDBI MCLR rate (1 year) plus a spread of 420 basis points and a spread reset from COD on an annual basis as on 31st March 2018, the repayment period is 44 quarterly instalments starting from December 31, 2018 for the existing loan. For Standby Loan facility and Additional loan facility from banks, not yet availed by the Company as at March 31,

2018, the repayment period is 48 quarterly instalments starting from December 31, 2018. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xviii)** Includes term loan from bank of ₹ 1,236.08 lakhs (₹ 1,235.37 lakhs as at 31st March 2017) at UCO Base rate plus a spread of 380 basis points during pre-COD period and a spread of 330 basis points during post-COD period as on 31st March 2018, the repayment period is 44 quarterly instalments starting from December 31, 2018 for the existing loan. For Standby Loan facility and Additional loan facility from banks, not yet availed by the Company as at March 31, 2018, the repayment period is 48 quarterly instalments starting from December 31, 2018. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.2 (xix)** Includes term loan from bank of ₹ 18,900.97 lakhs (₹ 19,618.50 lakhs as at 31st March 2017) at SBI MCLR Rate (1 year) plus a spread of 445 basis points as on 31st March 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xx)** Includes term loan from bank of ₹ 7,842.61 lakhs (₹ 8,149.20 lakhs as at 31st March 2017) at PNB MCLR Rate (5 year) plus a spread of 410 basis points as on 31st March 2018 repayable in quarterly instalments





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xxi)** Includes term loan from bank of ₹ 6,275.11 lakhs (₹ 6,529.44 lakhs as at 31st March 2017) at SBI MCLR Rate (1 year) plus a spread of 445 basis points as on 31st March, 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xxii)** Includes term loan from bank of ₹ 6,282.79 lakhs (₹ 6,531.86 lakhs as at 31st March, 2017) at SBI MCLR Rate (1 year) plus a spread of 445 basis points as on 31st March, 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th September, 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xxiii)** Includes term loan from bank of ₹ 6,275.41 lakhs (₹ 6,521.22 lakhs as at 31st March 2017) at SBH Base rate plus a spread of 400 basis points as on 31st March, 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xxiv)** Includes term loan from bank of ₹ 4,711.32 lakhs (₹ 4,897.24 lakhs as at 31st March 2017) at SBI MCLR Rate (1 year) plus a spread of 445 basis points as on 31st March 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xxv)** Includes term loan from bank of ₹ 3,452.90 lakhs (₹ 3,587.85 lakhs as at 31st March 2017) at PSB MCLR Rate (1 year) plus a spread of 400 basis points as on 31st March 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xxvi)** Includes term loan from bank of ₹ 3,140.25 lakhs (₹ 3,264.44 lakhs as at 31st March, 2017) at SBI MCLR Rate (1 year) plus a spread of 445 basis points as on 31st March, 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2 (xxvii)** Includes term loan from bank of ₹ 3,137.51 lakhs (₹ 3,260.48 lakhs as at 31st March, 2017) at SBI MCLR Rate (1 year) plus a spread of 445 basis points as on 31st March, 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th Sep 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2** (xxviii) Includes term loan from bank of ₹ 3,136.41 lakhs (₹ 3,258.96 lakhs as at 31st March, 2017) at SBM MCLR Rate (1 year) plus a spread of 410 basis points as on 31st March, 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th September, 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

**22.2** (xxix) Includes term loan from bank of ₹ 3,141.05 lakhs (₹ 3,265.56 lakhs as at 31st March 2017) at SBI MCLR Rate (1 year) plus a spread of 445 basis points as on 31st March, 2018 repayable in quarterly instalments on the last date of each quarter starting from June 2012 till 30th September, 2023. The loan is secured by first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future; including mortgage charge on 176 acres of land for plant area; first charge on all of the Company's tangible movable assets, pertaining to the Phase I Project, both present and future and Current Assets pertaining to the Phase I Project. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-I lenders without any preference or priority to one over the other or others.

#### **In respect of the subsidiary India Power Corporation (Bodhgaya) Limited.**

**22.3** (i) Includes term loan from Other Financial Institution of ₹ 12,110.97 lakhs (₹ 11,110.82 lakhs as at 31st March, 2017) at 11.75% p.a. as on 31st March 2018 and repayment of principal will start from F.Y. 2019-20 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.

#### **In respect of the subsidiary Meenakshi Energy Limited**

**22.3** (ii) Includes term loan from Other Financial Institution of ₹ 71,060.50 lakhs (₹ 71,053.83 lakhs as at 31st March, 2017) as on 31st March 2018 at interest rate based on their policy circular amended from time to time, the present interest rate is 13.50%. Post COD, there is an option of three (3) year reset. All the existing, Standby and Additional term loan is to be repaid in 48 quarterly instalments starting from the Third Quarter of the year 2018-19. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all

of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

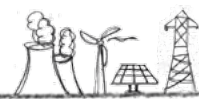
**22.3** (iii) Includes term loan from Other Financial Institution of ₹ 22,072.86 lakhs (₹ 22,070.69 lakhs as at 31st March 2017) as on 31st March 2018 at interest rate based on their policy circular amended from time to time, the present interest rate is 13.50%. Post COD, there is an option of three (3) year reset. The term loan is repayable in 56 quarterly instalments starting from the Third Quarter of the year 2018-19. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.3** (iv) Includes term loan from Other Financial Institution of ₹ 15,000 lakhs (₹ 15,000 lakhs as at 31st March 2017) at PFS reference rate minus 150 basis points during pre-COD period and PFS minus 200 basis points during post COD period as on 31st March 2018. The existing term loan is repayable in 44 quarterly instalments and Standby and Additional loan, not yet availed by the Company as at March 31, 2018, is repayable in 48 quarterly instalments starting from the Third Quarter of the year 2018-19. The loan is secured by a first mortgage and charge on all the Phase – II Project's immovable properties, both present and future; first charge on all of the Company's tangible movable assets, stocks of raw materials, semi-finished, finished goods and consumable goods relating to the Phase – II Project and all other movable assets, both present and future and first charge on Phase – II Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future. All the aforesaid mortgage, charges and assignments and pledge shall in all respects rank pari-passu amongst the Phase-II lenders without any preference or priority to one over the other or others.

**22.3** (v) Includes term loan from financial institution of ₹ 10,000 lakhs (₹ 9,200 lakhs as at 31st March, 2017) at SREI benchmark rate 17.75% less spread of 5.50% p.a. as on 31st March 2018 is payable on or before September 15, 2018.







# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Security terms are as follows:

- (a) a second charge to be created on all movable assets of the Company pertaining to Phase I.
- (b) a charge to be created on cash flow of the Company for Phase I along with the lenders of Phase I.
- (c) Letter of undertaking from India Power Corporation Limited w.r.t taking over of management control from Engie S.A.
- (d) a demand promissory note.

- (c) demands whatsoever of the Company under all Insurance contracts and Insurance proceeds; and pledge of 100% of equity shares held by New Promoter namely India Power Corporation Limited (IPCL) and 51% of equity shares held by Meenakshi Energy and Infrastructure Holdings Private Limited.
- (d) Sponsor Support Agreement, Various Undertakings and Corporate Guarantee of India Power Corporation Limited (New Promoter).

**22.4** 'Common Security to both Phase – I & Phase – II Project Lenders of Meenakshi Energy Limited, subsidiary of the Company:

- (a) a first charge on all intangibles of the Company, both present and future;
- (b) an assignment by way of security: of the right, title and interest of the Company in, to and under the Project Documents and under all the clearances, and the right, title, interest, benefits, claims and

**22.5**

In case of one of the subsidiary Meenakshi Energy Limited, SBI, the lead lender, on behalf of Phase-1 lenders had sent overdue recall notice on December 19, 2017 for an amount of ₹ 9,357.92 lakh. The Company has filed a suit on December 27, 2017 before Hon'ble XXIV Additional Chief Judge Court, Hyderabad for direction to realise the above due amount from the equity fund of ₹ 59,512.02 lakh available in the TRA bank account maintained with the lenders. The matter is under sub-judice.

## 23 NON CURRENT FINANCIAL LIABILITY - TRADE PAYABLES

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Carried at amortised cost</b>			
Trade Payables	23.1	3,608.54	3,120.88
<b>Total</b>		<b>3,608.54</b>	<b>3,120.88</b>

**23.1** Includes ₹ 2,430.98 lakhs (₹ 2,168.78 lakhs as on March 31, 2017) 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.

## 24 NON CURRENT FINANCIAL LIABILITY - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>Carried at amortised cost</b>			
Advance from Consumers		2,717.29	2,424.21
Security Deposit Received from Consumers	12.1	2,572.69	2,626.96
Creditors for Retention Money		5,807.44	7,652.31
Others		824.20	735.32
<b>Total</b>		<b>11,921.62</b>	<b>13,438.80</b>

## 25 NON CURRENT LIABILITY - PROVISIONS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Provision for employee benefits	48	582.23	453.03
<b>Total</b>		<b>582.23</b>	<b>453.03</b>





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 26 DEFERRED TAX LIABILITIES (NET)

The following is the analysis of deferred tax assets/(liabilities) presented in Balance Sheet:

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Deferred tax assets	2,189.36	1,989.09
Deferred tax liabilities	(7,174.52)	(6,890.66)
<b>Total Deferred tax (liabilities)/assets</b>	<b>(4,985.16)</b>	<b>(4,901.57)</b>

Gross deferred tax liability and assets for the year ended 31st March 2018 are as follows:

(₹ in lakhs)

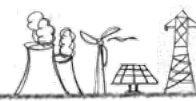
Particulars	Liability	Asset	Net
Property, Plant and Equipment	(6,892.70)	-	(6,892.70)
Unamortised borrowing Cost	(44.38)	-	(44.38)
Provision for employee Benefits	-	808.52	808.52
Voluntary retirement & Other benefits allowable on amortisation basis	-	30.72	30.72
MAT Credit	-	1,295.02	1,295.02
Unrealised gain/(loss) on security carried at fair value through P&L/OCI	(15.19)	-	(15.19)
Receivable, loans and advances	-	0.73	0.73
Trade and other payables	(196.14)	-	(196.14)
Others	-	28.27	28.27
<b>Total Deferred tax Liability</b>	<b>(7,148.41)</b>	<b>2,163.25</b>	<b>(4,985.16)</b>

Gross deferred tax liability and assets for the year ended 31st March 2017 are as follows:

(₹ in lakhs)

Particulars	Liability	Asset	Net
Property Plant and Equipment	(6,535.25)	-	(6,535.25)
Unamortised borrowing cost	(75.25)	-	(75.25)
Provision for employee benefits	-	588.25	588.25
Voluntary retirement & Other benefits allowable on amortisation basis	-	55.45	55.45
MAT Credit	-	1,315.91	1,315.91
Unrealised gain/(loss) on security carried at fair value through P&L/OCI	(9.64)	-	(9.64)
Receivable, loans and advances	-	0.19	0.19
Trade and other payables	(252.16)	-	(252.16)
Others	(18.36)	29.29	10.93
<b>Total Deferred tax Liability</b>	<b>(6,890.66)</b>	<b>1,989.09</b>	<b>(4,901.57)</b>





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 26 DEFERRED TAX LIABILITIES (NET) (CONTD.)

Significant component of net deferred tax liability and assets for the year ended 31st March 2018 are as follow:

(₹ in lakhs)

Particulars	Note No.	Opening Balance	Recognised through Profit or loss (Refer Note 26.2)	Recognised in/ reclassified from other comprehensive income	Other adjustments	Closing Balance
Property, Plant and Equipment		(6,773.15)	(119.55)	-	-	(6,892.70)
Unamortised borrowing cost		(66.29)	21.91	-	-	(44.38)
Provision for employee Benefits		435.57	305.85	67.10	-	808.52
Voluntary retirement & other benefits allowable on amortisation basis		55.45	(24.73)	-	-	30.72
MAT Credit	26.1	1,284.14	28.77	-	(17.89)	1,295.02
Unrealised gain/(loss) on security carried at fair value through P&L/OCI		(9.64)	(5.55)	-	-	(15.19)
Receivable, loans and advances		0.19	0.54	-	-	0.73
Trade and other payables		(252.16)	56.02	-	-	(196.14)
Others		424.32	(396.05)	-	-	28.27
<b>Total Deferred tax Liability</b>		<b>(4,901.57)</b>	<b>(132.80)</b>	<b>67.10</b>	<b>(17.89)</b>	<b>(4,985.16)</b>

Significant component of net deferred tax liability and assets for the year ended 31st March 2017 are as follows:

(₹ in lakhs)

Particulars	Note No.	Opening Balance	Recognised through Profit or loss (Refer Note 26.2)	Recognised in/ reclassified from other comprehensive income	Other adjustments	Closing Balance
Property ,Plant and Equipment		(6,235.94)	(537.21)	-	-	(6,773.15)
Unamortised borrowing cost		(100.96)	34.67	-	-	(66.29)
Provision for employee Benefits		476.69	(74.19)	33.07	-	435.57
Voluntary retirement & other benefits allowable on amortisation basis		127.39	(71.94)	-	-	55.45
MAT Credit	26.1	1,565.40	-	-	(281.26)	1,284.14
Unrealised gain/(loss) on security carried at fair value through P&L/OCI		(4.77)	(4.87)	-	-	(9.64)
Receivable, loans and advances		(7.23)	7.42	-	-	0.19
Trade and other payables		(261.35)	9.19	-	-	(252.16)
Others		417.82	6.50	-	-	424.32
<b>Total Deferred tax Liability</b>		<b>(4,022.95)</b>	<b>(630.43)</b>	<b>33.07</b>	<b>(281.26)</b>	<b>(4,901.57)</b>

**26.1** Other adjustments represents MAT credit utilisation against regular income tax liability.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

**26.2** Includes NIL (previous year ₹ 3.53 lakhs) adjusted against current tax in the subsidiaries.

## 27 NON CURRENT FINANCIAL LIABILITY - OTHERS

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Advance from Consumers	649.86	2,139.45
Deferred Credit for long term payable	2,069.45	3,989.08
Others	0.07	0.07
<b>Total</b>	<b>2,719.38</b>	<b>6,128.60</b>

## 28 CURRENT - BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Secured			
- From banks			
Repayable on demand -Cash Credit		17,507.87	16,609.07
Short Term Loan	28.1	6,156.00	5,502.18
Unsecured	28.2		
- From banks			
Short Term Loan		10,000.10	-
- From other parties			
Inter Corporate Deposit		-	200.00
<b>Total</b>		<b>33,663.97</b>	<b>22,311.25</b>

### In respect of the Company

- 28.1 (a)** Includes ₹ 2,992.30 lakhs (₹ 2,981.49 lakhs as on March 31, 2017) 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 ₹ 10,000 lakhs as given in note 22.1 (a).
- 28.1 (b)** Includes ₹ 2,173.99 lakhs (₹ 2,652.70 lakhs as on March 31, 2017) secured by first charge, ranking pari passu on current assets both present and future.
- 28.1 (c)** Include ₹ 1,275.43 lakhs (₹ 2,894.46 lakhs as on March 31, 2017) secured by first pari passu charge on current assets both present and future.
- 28.1 (d)** Includes ₹ 1,212.93 lakhs (₹ 100.64 lakhs as on March 31, 2017) 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.

### In respect of the subsidiary India Power Corporation (Bodhgaya) Limited

- 28.1 (e)** Include ₹ 1699.74 lakhs (₹ 1657.68 lakhs as on March 31, 2017) secured by first pari passu charge on current assets both present and future, subordinate to charge of South Bihar Power Distribution Company Limited (SBPDCL) as per term of DFA.

### In respect of the subsidiary Meenakshi Energy Limited

- 28.1 (f)** Includes ₹ 8,153.48 lakhs (₹ 6,322.10 lakhs as on

31st March, 2017), The Working capital facilities are obtained under a consortium arrangement with State Bank of Hyderabad and Punjab National Bank with State Bank of Hyderabad being the lead banker and are secured by:

- a first mortgage and charge on all the Company's immovable properties pertaining to the Phase I Project, both present and future;
- a first charge on all of the Company's tangible movable assets pertaining to the Phase-I Project, including movable plant and machinery, machinery spare parts, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future;
- a first charge on Company's Receivables pertaining to the Phase-I project and entire current assets pertaining to the Phase-I project;

All the aforesaid mortgages and charges shall in all respects rank pari-passu amongst the Phase-I Lenders of term loans and working capital facilities without any preference or priority to one over the other or others except common assets of Phase-I and Phase-II lenders.

The Cash Credit facility is further guaranteed by the Ex-Chairman and Director of the subsidiary, Meenakshi Energy Limited in his personal capacity.

### In respect of the Company

- 28.2 (a)** Includes ₹ 2,500 lakhs (₹ 2,500 lakhs as on March 31,





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

2017) towards working capital demand loan repayable after 6 months from disbursement i.e. January 5, 2018 and is secured by first pari passu charge on current assets of the Company both present & future.

## In respect of the subsidiary India Power Corporation (Bodhgaya) Limited

**28.2 (b)** Includes ₹ 2,500 lakh (Nil as on March 31, 2017) is secured by first pari passu charges on stock, debtors and bank balances (existing & future) and second pari passu charges on all movable and immovable fixed assets (now reclassified as intangible assets as per Ind AS).

## In respect of the subsidiary Meenakshi Energy Limited

**28.2 (c)** Includes ₹ 1,156 lakhs (Nil as on March 31, 2017) at

15.25% p.a., payable within two years or on demand from the date of first disbursement. This loan will be treated as priority lender in case of any exigencies and will be paid on first preference basis. The charge on loan is to be created on:

a. First Charge on all Fixed and Current assets, both present and future of phase-I

b. Assignment of all cash flow of the Phase-I

c. Demand promissory note

(d) Includes ₹ Nil (₹ 3,002.18 lakhs as on March 31, 2017) buyers credit from bank.

## 29 CURRENT FINANCIAL LIABILITY - TRADE PAYABLE

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	29.1	508.51	107.00
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	29.2	24,671.66	24,849.48
<b>Total</b>		<b>25,180.17</b>	<b>24,956.48</b>

### 29.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro, small and medium enterprises are based on information available with the Group. There is no overdue amount outstanding as at the balance sheet dates.

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Paid during the year		
Principal amount (including interest) paid to Micro Enterprises and Small Enterprises beyond the appointed date		
- Principal amount	29.69	152.67
- Interest thereon	-	-

**29.2** India Power Corporation (Bodhgaya) Limited, subsidiary of the Company, has disputed claim of SBPDCL in view of discrepant billing by SBPDCL on them.

## 30 CURRENT FINANCIAL LIABILITY - OTHERS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Current Maturity for long term Borrowings	22.1, 22.2, 22.3 & 22.4	41,736.22	20,152.09
Interest Accrued but not due on Borrowings		1,686.86	1,281.26
Interest Accrued and due on Borrowings		8,098.91	883.77
Interest on Consumer security Deposit		439.96	366.83
Security Deposit Received		9,639.96	8,584.14
Payable for purchase of capital goods		3,510.41	4,207.42
Unpaid/Unclaimed Dividend	30.1	168.64	78.03
Pass through payables		1,023.75	969.48
Other Payable		3,614.34	5,288.53
<b>Total</b>		<b>69,919.05</b>	<b>41,811.55</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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

## 31 OTHER CURRENT LIABILITY

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Advance from Consumers	333.10	40.45
Statutory Dues Payable	3,184.89	2,799.39
Advance Received	107.24	13.63
Deferred Credit	748.49	1,780.60
Unearned Income	61.75	46.00
Others	2.91	74.55
<b>Total</b>	<b>4,438.38</b>	<b>4,754.62</b>

## 32 CURRENT LIABILITY -PROVISIONS

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
Provision for Employee Benefits	48	1,493.83	1,321.63
Provision for Estimated loss on Forward Contract		-	170.23
Provision For Contingencies		500.00	2,000.00
<b>Total</b>		<b>1,993.83</b>	<b>3,491.86</b>

## 33 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Energy	33.1	86,483.66	77,102.07
Other operating revenues	33.2	14,962.07	6,180.22
<b>Total</b>		<b>101,445.73</b>	<b>83,282.29</b>

### 33.1.1 Regulatory

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Energy (₹ In lakhs)	39,768.36	38,893.28
Sale of Energy ( in Kwh)	705,155,838	676,739,776

### 33.1.2 Non Regulatory

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Energy (₹ In lakhs)	46,715.30	38,208.79
Sale of Energy ( in Kwh)	1,087,729,087	931,203,012







# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 33.2 Other operating revenues includes

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Meter Rent		458.05	371.27
Compensation Received		-	1,609.20
Trading Margin		53.54	-
Delayed payment charges		1,993.68	2,006.61
Incentive on wind power generation		53.37	61.02
Liabilities no longer required written back		3,109.40	-
Compensation on Curtailment of Power	33.2.1	6,129.00	376.23
Income from Service Concession Arrangement		2,152.81	1,253.88
Miscellaneous income		1,012.22	502.01
<b>Total</b>		<b>14,962.07</b>	<b>6,180.22</b>

**33.2.1** Compensation on curtailment of power includes ₹ 4,097.28 lakh (previous year ₹ 376.23 lakh) [excluding ₹ 2,031.64 lakh (previous year ₹ 376.23 lakh) realised during the year] which has been recognised during the year by Meenakshi Energy Limited, subsidiary of the Company, as per sales agreement as there is no significant uncertainty as to its collectivity.

## 34 OTHER INCOME

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income on non-current investment in Bonds and Securities	34.1	21.62	23.92
Interest Income on deposits and others		1,887.26	1,441.45
Interest Income on Income Tax refunds		48.79	3.00
Interest income on unwinding of financial instruments		610.31	693.58
Gain on fair valuation of mutual fund		3.58	24.34
Gain on foreign exchange fluctuation		123.54	311.25
Dividend income on non-current investments		9,541.97	7.53
Surcharge		1,483.94	-
Depreciation reversal (net of loss on sale/discard of fixed assets ₹ 7.77 lakhs)	34.2	-	477.92
Profit on sale of non-current investments		-	32.39
Rent received		9.28	20.47
Insurance claim received		55.27	1.71
Provision and Liabilities no longer required written back		3,976.84	853.24
Profit on sale/discard of fixed assets		-	2.20
Profit on sale of stores/scrap		2.32	-
Miscellaneous Receipts		37.52	83.65
<b>Total</b>		<b>17,802.24</b>	<b>3,976.65</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- 34.1** Interest income includes ₹ 58.89 lakhs (previous year ₹ 49.18 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:

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Accrued and Received during the year	30.04	13.42
Interest Accrued during the year but not received	28.85	35.76
<b>Total</b>	<b>58.89</b>	<b>49.18</b>

- 34.2** As stated in Note 16.1 on handing/taking over certificate of vacant and peaceful possession of (CPS) was completed on 6th October 2016. Consequent upon this fixed assets and inventory lying in the leased premises at CPS has been adjusted with effect from April 1, 2012 and depreciation already provided from April 1, 2012 has been written back.

### 35 ENERGY PURCHASE

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Energy Purchase	45,979.17	39,758.99
<b>Total</b>	<b>45,979.17</b>	<b>39,758.99</b>

- 35.1** Purchase of Energy (in kwh) 1,367,628,833 1,349,527,661

- 35.2** In respect of the Company Refer note 43.2 for Claim by one of the input energy supplier for arrear charges.

### 36 LEASE RENT

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Lease Rent of Wind Mill	45.1	4,388.96	4,767.43
<b>Total</b>		<b>4,388.96</b>	<b>4,767.43</b>

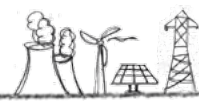
### 37 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries and Wages	37.1	6,480.25	4,626.04
Contributions to Provident and other funds		589.06	453.19
Staff Welfare expenses		256.22	203.65
<b>Total</b>		<b>7,325.53</b>	<b>5,282.88</b>

- 37.1** Particulars (₹ in lakhs)
- |  | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|--------------------------------|--------------------------------|
| (i) Exclude amounts incurred for work for consumers and capital jobs | 25.51                          | 41.29                          |
| (ii) Include Voluntary Retirement Compensation Paid                  | 33.49                          | 11.59                          |





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 38 FINANCE COSTS

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest	38.1	21,768.32	12,633.89
Other Borrowing Costs		571.76	1,641.03
<b>Total</b>		<b>22,340.08</b>	<b>14,274.92</b>

**38.1** (a) Interest Nil (previous year ₹ 6,354.03 lakhs) pertaining to project undertaken by Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) being claimed as recoverable as cost thereto, has been netted off.

**38.1** (b) Includes interest for late payment of statutory dues of ₹ 21.92 lakhs (previous year ₹ 17.61 lakhs) in case of Meenakshi Energy Limited, a subsidiary of the Company.

## 39 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation	5	9,256.98	5,723.65
Amortisation	6	499.04	91.72
<b>Total</b>		<b>9,756.02</b>	<b>5,815.37</b>

## 40 OTHER EXPENSES

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumption of Stores and Spare parts		266.11	416.69
Repairs			
Buildings	183.75		116.58
Machinery	852.50		733.21
Office	17.27		11.82
Transmission and Distribution network	1,510.44		1,229.15
Others	246.96	2,810.92	830.14
Raw water charges		-	0.37
Coal and Ash handling charges		281.19	353.68
Loss on discard/Sale of Fixed Assets (Net)		6.70	-
Loss on Sale/Discard of Investment		4.06	-
Rent		22.44	32.75
Rates and Taxes		204.19	41.71
Insurance		182.69	254.93
Auditors' Remuneration		-	
Audit Fees	31.16		33.14
Tax Audit Fees	0.59		0.58
For Certification	26.34		23.44
Cost Audit Fees	0.35		-
Others	5.88	64.32	-
Loss on Foreign Exchange Fluctuation		-	59.45



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 40 OTHER EXPENSES (CONTD.)

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Directors' Fees (inclusive of service tax of ₹ 0.03 lakhs and GST 2.19 lakhs (previous year service tax ₹ 3.54 lakhs)		18.07	27.27
Commission to Directors (inclusive of GST of ₹ 5.94 lakhs, previous year service tax of ₹ 9.24 lakhs)		38.94	70.71
Bill Distribution and Collection expenses		452.01	326.21
Construction Cost		1,872.01	1,090.33
Sundry Balance Written off		635.64	-
Operation and Maintenance		2,152.07	1,263.77
Provision for contingencies		-	1,300.00
Allowance for bad and doubtful Debts & Others (net)	12.5	7.58	17.99
Corporate Social Responsibility		95.51	63.88
Legal and professional expenses		544.47	353.22
Miscellaneous Expense		2,240.95	1,482.21
<b>Total</b>		<b>11,899.87</b>	<b>10,133.23</b>

- 41 (a) Exceptional items of ₹ 4,673.56 lakhs for year ended March 31, 2017 is on account of receipt of ₹ 26,734 lakhs for completion of acquisition of shares of Meenakshi Energy Limited (a subsidiary company) and expenses on account of waiver of ₹ 862 lakhs against LPS receivable from Rajasthan Discom, ₹ 11,630.27 lakhs of interest receivable from IPC(H)L and ₹ 9,568.17 lakhs regulatory accruals, being no longer recoverable. The above items being unrelated to previous year/period operations have been categorised and disclosed as exceptional items.
- (b) In case of one of the subsidiary of the Company, the subsidiary has requested the lenders of phase - I to give credit for the higher interest charged by them amounting to ₹ 3,749.38 lakhs (previous year ₹ 27,565.43 lakhs). The subsidiary is confident of their favourable disposition because of which the credit has been taken in the books of accounts.

## 42 TAXES

(a) The major components of income tax expense for the year are as under:

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax		
- Current year	1,269.17	1,687.87
- Earlier year	(7.54)	(0.09)
Deferred tax		
- Current year	129.81	633.96
<b>Total Income tax expenses recognised in Consolidated statement of profit and loss</b>	<b>1,391.44</b>	<b>2,321.74</b>
(ii) Income tax expense recognised in OCI		
Deferred tax expense on Remeasurement of defined benefit plans	67.10	33.07
<b>Income tax expense recognised in OCI</b>	<b>67.10</b>	<b>33.07</b>





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 42 TAXES (CONTD.)

### (b) Reconciliation of tax expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit before tax	3,399.99	20,528.38
As per Statutory Income tax rate	1,249.58	7,123.99
Add/(less) Dividend	(3.58)	(2.60)
Add/(less) CSR expenditure	33.05	22.11
Add/(less) Others	454.66	(4,821.67)
Add/(less) Deductions/Exemptions	(266.29)	-
Add/(less) Change in tax rates	(15.75)	-
Add/(less) Benefit of previous year loss to reduce current tax expense	(60.23)	-
Add/(less) Previous year tax adjustments	-	(0.09)
<b>At effective income tax rate</b>	<b>1,391.44</b>	<b>2,321.74</b>
<b>Income tax expense reported in the Consolidated statement of profit and loss</b>	<b>1,391.44</b>	<b>2,321.74</b>

## 43(a) CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>43.1 Contingent Liabilities</b>			
(a) Demand from Sales tax authorities for 2004-05 (Previous year 2004-05 and 2009-10) against which Company's appeal is pending		2.22	8.86
(b) Demand from Service tax authorities for 2008-09 to 2012-13 (Previous year 2008-09 to 2012-13) against which Company's appeal is pending		21.49	21.49
(c) Performance Bank Guarantee	43.4	1,329.00	1,329.00
(d) Standby letter of Credit	43.4	-	934.00
(e) Unexpired Letter of Credit for purchase of power		608.64	1,224.86
(f) Corporate Guarantee	43.5	2,000.00	2,000.00
(g) Bank Guarantee	43.6	-	4,523.40
Bank Guarantee	43.7	1,100.00	1,100.00
Bank Guarantee	43.8	-	48.00
Bank Guarantee	43.9	134.00	-
Bank Guarantee	43.10	289.50	-
Bank Guarantee	43.11	192.07	-
Bank Guarantee issued by Meenakshi Energy Limited, one of the subsidiary of the Company		10,183.51	6,754.80
(h) Custom duty claim disputed by Meenakshi Energy Limited, one of the subsidiary of the Company relating to issue of applicability and classification of Coal.	43.15	2,722.83	2,722.83
(i) Electricity duty claim not considered to be applicable to Meenakshi Energy Limited, one of the subsidiary of the Company		176.50	176.50
(j) Seigniorage Fee demand Notice received	43.16	254.46	254.46
(k) Entry Tax demand from Commercial Tax Department towards purchase of LDO		24.32	-





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 43(a) CONTINGENT LIABILITIES AND COMMITMENTS (CONTD.)

(to the extent not provided for)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>43.2</b> Claim of ₹ 6,437.47 lakhs and ₹ 9,953.87 lakhs by one of the Input Energy Supplier for arrear charges and increase in tariff rate against energy purchased in earlier years and current year respectively for which review petition of input supplier is pending before Tribunal. 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.			
<b>43.3</b> 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 43.1(a) and (b) above are determinable only on receipt of judgement/ decisions pending with various forums/ authorities.			
<b>43.4</b> Given in terms of Distribution Franchise Agreement (DFA) for distribution of electricity which is being carried on by wholly owned subsidiary India Power Corporation (Bodhgaya) Limited.			
<b>43.5</b> Given to Bank for credit facility availed by wholly owned subsidiary, India Power Corporation (Bodhgaya) Limited.			
<b>43.6</b> Given to Bank for credit facility availed by Meenakshi Energy Limited, a Subsidiary.			
<b>43.7</b> Given on behalf of Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited), for standby power purchase.			
<b>43.8</b> Given on behalf of IPCL Power Trading Private Limited, a subsidiary for power supply to TS Discoms.			
<b>43.9</b> Given on behalf of India Uniper Power Service Private Limited a Joint venture of the Company.			
<b>43.10</b> Given to The deputy commissioner, Appeals, commercial Taxes, Alwar Rajasthan as security deposit for tax dispute in appeal.			
<b>43.11</b> Given to west Bengal State Electricity transmission Company limited for construction of 220 kv transmission line for LILO of STPS-Durgapur 220 kv S/C line at JK Nagar.			
<b>43.12</b> Meenakshi Energy Limited, one of the subsidiary of the Company, executed Bulk Power Transmission Agreements (BPTAs) dated February 24, 2010 and December 24, 2010 as amended on January 2, 2012 with Power Grid Corporation of India Limited (PGCIL) to avail long term access (LTA) in respect of 910 MW on PGCIL's transmission system to transmit power to MEL's customers located in the Northern, Western and Southern regions (NR, WR and SR respectively). As per the terms of the BPTAs, the Company is required to pay PGCIL long term open access (LTOA)/transmission charges for the contracted transmission capacity from the scheduled date of commissioning of its generation units, provided that if the date of successful commissioning by PGCIL of its respective transmission elements necessary to provide the Company with LTA occurs later, then such payment obligation will arise on such later date in respect of the transmission element commissioned. The Company has been given to understand that PGCIL has commissioned the contracted elements of its transmission system only in the SR and the contracted elements of the transmission system in the WR and NR are yet to be commissioned.			
The commissioning of the generation units of the Company in respect of its Phase II project has been delayed due to unforeseen circumstances (including changes in law) that were beyond the control of the Company and that are force majeure events under the BPTAs. Under the terms of the BPTAs, the Company is not liable for any claim for any loss or damage whatsoever arising out of a failure to perform that is due to force majeure events. The Company			





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 43(a) CONTINGENT LIABILITIES AND COMMITMENTS (CONTD.)

(to the extent not provided for)

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>43.12 (Contd).</b> has communicated this to PGCIL on various occasions and sought an amendment of the scheduled commissioning dates for its generating units for Phase II in the BPTAs. PGCIL has taken note of the Company's revised scheduled commissioning dates. However, PGCIL has not taken cognizance of the force majeure events and has declined to amend the BPTAs, denying the Company relief under the force majeure clause of BPTAs. The Company believes that there is a nexus between the delay in the commissioning of its generating units for Phase II and the force majeure events, and therefore, there is no obligation to pay transmission charges for the period that the force majeure events subsisted and a reasonable time thereafter required to mitigate the effects of such force majeure events and achieve performance.  Further, the Company believes that it is a well-established legal principle that liability, if any, for delay in the commissioning of the Company's generating units, must be limited to the actual or reasonable damage suffered by PGCIL for any proven breach. Furthermore, such actual damages should be limited to that portion of PGCIL's transmission capacity that remains unused for the period of delay. The issue is currently before CERC and CERC's determination could have an impact.			
<b>43.13</b> Subsequent to the year end, the Company received a demand from Krishnapatnam Port Company Limited (KPCL) claiming compensation of ₹ 480,179,100 for shortfall in meeting minimum guarantee tonnage (MGT) for the financial years 2012-13, 2014-15 and 2015-16, under the Port Service Agreement (PSA) entered into by the Company with KPCL. The Company strongly contested that under the PSA, the liability to pay compensation for shortfall in MGT does not arise prior to March 31, 2015; and after March 31, 2015, it will arise only once KPCL completes construction of the coal conveyer. KPCL has not commenced work on or commissioned the coal conveyer under the PSA till date. KPCL wrongly invoked and encashed the bank guarantee issued on behalf of the Company for ₹ 1,000 lakhs. KPCL then wrongfully sought a reinstatement of the bank guarantee and payment of the balance of the demand, failing which it would treat the PSA as cancelled. The Company initiated arbitration and filed an application for ad interim ex parte relief seeking restraint of termination of PSA and coercive actions by KPCL and repayment or deposit of ₹ 1,000 Lakh by KPCL. An interim injunction has been granted to the Company, while the legal proceedings for ad interim ex parte relief are pending.			
<b>43.14</b> An Arbitration proceeding is going on with Cethar Limited, the EPC contractor of Boiler for expansion project 2 X 350 MW. The EPC contractor has filed a claim of ₹ 18,098.82 lakh and the Company has filed a counter claim of ₹ 34,543 lakh. Both the amount have not been recognised in the books of accounts.			
<b>43.15</b> The customs duty claim is gross of a deposit of ₹ 98.13 Lakh made by the Company with the Customs authorities against such claim.			
<b>43.16</b> Seigniorage fee demand notices received from The Assistant Directorate of Mines and Geology (Vigilance), Nellore in relation to the use of Road, Metals, Sand, Gravel etc. for construction activities. The Company has filed an appeal before the Director of Mines & Geology and the appeal has been disposed of, setting aside the original demands and instructing the Assistant Director of Mines & Geology (Vigilance) to issue fresh demands based on the process of reconciliation of the fee paid Challans. No fresh demands have been received as yet.			
<b>43.17</b> Other claims against the Company by various parties not acknowledged by the Company		2,662.24	432.88



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>43(b) COMMITMENT</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 2,533.24 lakhs, ₹ 9,548.78 lakhs as on March 31, 2017)		23,982.10	60,877.31

**43(c)** India Power Corporation Limited (IPCL) had given Corporate Guarantee on 23rd September, 2016 in favour of lenders of Meenakshi Energy Limited (MEL) for the loan amount ₹ 2,81,836.43 lakhs (₹ 284,484.92 lakhs as on March 31, 2017) subject to WBERC approval. WBERC has declined the approval vide their letter dated November 10, 2017, which has been accordingly intimated to the lenders. Accordingly the lenders of MEL were informed that the Corporate Guarantee given earlier is void.

Lenders of MEL on 20th December, 2017 demanded ₹ 93.58 crores from IPCL against the Corporate Guarantee which is sub-judice.

**43(d)** Corporate guarantees given in 43.1 (f) and 43 (c) above are in the nature of insurance contract

**44** Capital work in progress including contributory jobs includes cost of equipments and other civil and construction cost amounting to ₹ 323,900.43 lakhs (₹ 277,598.28 lakhs as on March 31, 2017) for ongoing projects and pre-operative expenses as detailed below. These are allocated to respective assets on capitalisation.

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Brought forward from previous year	143,433.35	30.96
Interest expense	36,410.85	12,671.95
Salaries and wages	2,192.71	1,007.80
Vehicle Running	22.55	-
Consultancy Charges	26.67	60.82
Miscellaneous Expenses	5,753.11	2,477.45
	<b>187,839.24</b>	<b>16,248.99</b>
Add: Acquired during the year	-	127,250.59
Less: Allocated to fixed assets	51.44	66.22
<b>Carried forward</b>	<b>187,787.80</b>	<b>143,433.35</b>

## 45 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.

**45.1** The Company has taken certain plant and machinery on an operational lease basis.

Significant features of aforesaid lease arrangements are as follows:

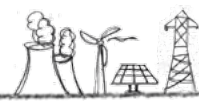
- The Company will pay the lease rent over the lease period. The lease rent is calculated on revenue receipt.
- Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.
- There are no restrictions imposed on the Company by the existing lease agreements.

**45.2** The Company has taken certain land on Finance Lease. Carrying value of land taken on lease is ₹ 1,397.17 lakhs ( ₹ 1,402.18 lakhs as on March 31, 2017) . The Company is scheduled to pay lease rental as follows:

(₹ in lakhs)

Particulars	31st March, 2018	Present Value of MLP	31st March, 2017	Present Value of MLP
(i) Not later than one year	2.73	-	2.73	-
(ii) Later than One year and not later than 5 years	10.94	0.02	10.94	0.02
(iii) Later than 5 years	162.34	20.67	165.07	20.68





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

**45.3** The Company has not made any sublease arrangement with other parties.

**45.4** The Company has recognised an amount of ₹ 4,388.96 lakhs (previous year ₹ 4,767.43 lakhs) towards lease rent (note 36) and ₹ 4.42 lakhs (previous year ₹ 4.37 lakhs) for rent of premises (note 40) for the year.

## 45.5 In the Capacity of Lessor

The Company had certain operating lease arrangements for office premises for 5 years, which has been terminated during the year. In respect of such arrangements, lease earning for the year aggregating to ₹ 5.54 lakhs (Previous year ₹ 13.35 lakhs) have been recognised in the Statement of Profit and Loss.

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
(i) Not later than one year	-	13.59
(ii) Later than One year and not later than 5 years	-	10.97
(iii) Later than 5 years	-	-

## 46 RELATED PARTY DISCLOSURES

Related parties have been identified in terms of Ind AS 24 on "Related Party Disclosure" as listed below :

### List of Related Parties where control exists

Name of Related Party	Relationship
Matsya Shipping & Ports Private Limited	Wholly owned Subsidiary w.e.f. 19th February, 2016 and Joint Venture w.e.f. 27th March, 2017
India Uniper Power Services Private Limited	Wholly owned Subsidiary from 2nd August, 2016 to 5th January, 2017 and Joint Venture w.e.f. 6th January, 2017
Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited)	Subsidiary upto 30th March, 2017 and Associate w.e.f. 31st March, 2017 up to 29th December, 2017

Key Management Personnel	Relationship
<b>In respect of the Company</b>	
Mr. Hemant Kanoria	Chairman & Non - Executive Director
Mr. Raghav Raj Kanoria	Managing Director w.e.f. 1st June, 2017
Mr. Sunil Kanoria	Non - Executive Director upto 11th August, 2017 & Vice Chairman w.e.f. 12th August, 2017
Mr. Jyoti Kumar Poddar	Non - Executive Director
Mr. Nand Gopal Khaitan	Independent Director
Mr. Amit Kiran Deb	Independent Director
Mr. Debi Prasad Patra	Independent Director
Mr. Tantra Narayan Thakur	Independent Director
Mr. S. Sundarshan	Independent Director
Ms. Dipali Khanna	Independent Director
Mr. Asok Kumar Goswami	Whole time Director
Mr. Shirang Karandikar	Chief Executive Officer up to 31st August, 2017
Mr. Sanjeev Seth	Chief Executive Officer w.e.f. 1st September, 2017
Mr. Laxmi Narayan Mandhana	Chief Financial Officer up to 18th July, 2016
Mr. Sushil Kr. Agarwal	Chief Financial Officer w.e.f. 6th December, 2016
Mr. Prashant Kapoor	Company Secretary



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 46 RELATED PARTY DISCLOSURES (CONTD.)

Key Management Personnel	Relationship
<b>In respect of the subsidiaries</b>	
Mr. Raghav Raj Kanoria	Whole time Director (till 31st October 2017) of subsidiary, India Power Corporation (Bodhgaya) Limited
Mr. Jyoti Kumar Poddar	Whole time Director (w.e.f. 3rd March 2017) of subsidiary, Meenakshi Energy Limited
Ms. Shreya Arora	Company Secretary of subsidiary, IPCL Power Trading Private Limited
Mr. Jyoti Kumar Poddar	Director of subsidiary Hiranmaye Energy Limited (Formerly know as India Power Corporation (Haldia) Limited (upto 30th March 2017))
Mr. Jyotirmay Bhaumik	Whole-time Director of subsidiary Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited (upto 30th March 2017))
Mr. Laxmi Narayan Mandhana	Chief Financial Officer (upto 18th July, 2016) of subsidiary Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited (upto 30th March 2017))
Mr. Purushottam Kejriwal	Chief Financial Officer (w.e.f. 23rd December, 2016) of subsidiary Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited (upto 30th March 2017))
Ms. Barkha Bachhuka	Company Secretary of subsidiary Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited (upto 30th March 2017))

### 46.1 Balances outstanding of Joint Ventures and Associates

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Outstanding Balance</b>		
<b>Loan Given</b>		
Matsya Shipping & Ports Private Limited	5.00	5.00
<b>Investments</b>		
Matsya Shipping & Ports Private Limited	0.50	0.50
India Uniper Power Services Private Limited	352.50	352.50

### 46.2 Details of Transactions with Joint Ventures and Associates during the year

(₹ in lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Transaction during the year</b>		
<b>Loan Given during the year</b>		
Matsya Shipping & Ports Private Limited	-	5.00
India Uniper Power Services Private Limited	-	40.00
<b>Loan repaid during the year</b>		
India Uniper Power Services Private Limited	0.50	40.00
<b>Advance Given</b>		
Matsya Shipping & Ports Private Limited	-	3.00
India Uniper Power Services Private Limited	34.49	30.00
<b>Advance Repaid</b>		
Matsya Shipping & Ports Private Limited	-	3.00
India Uniper Power Services Private Limited	34.49	30.00
<b>Investment during the year</b>		
India Uniper Power Services Private Limited	-	352.50
<b>Reimbursement against expense</b>		
India Uniper Power Services Private Limited	0.81	-







# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 46.3 Details of transactions with Key Management Personnel during the year

(₹ in lakhs)

Particulars	KMP and Relatives of KMP	
	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Remuneration to Key Management Personnel of the Company</b>		
Short term employee benefits	537.47	336.86
Post employment benefit	15.31	10.80
Long term employment benefit	7.08	13.12
Termination benefits	10.08	2.55
<b>Director sitting fee</b>	15.40	23.73
<b>Director commission</b>	33.00	61.47

## 47 EARNINGS PER SHARE

(₹ in lakhs)

Particulars	Basic and Diluted excluding Regulatory income/(expense)		Basic and Diluted including Regulatory income/(expense)	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Profit after tax (₹ In lakhs)	965.47	19,748.03	2,008.55	18,206.64
Number of equity shares	973,789,640	973,789,640	973,789,640	973,789,640
Number of equity shares in Share Capital Suspense Account (Note 4.1)	604,143,449	604,143,449	604,143,449	604,143,449
Total number of shares	1,577,933,089	1,577,933,089	1,577,933,089	1,577,933,089
Earning per share (Basic and Diluted) (₹)	0.06	1.25	0.13	1.15
Face Value per equity share (₹)	1	1	1	1

## 48 EMPLOYEE BENEFITS

### In respect of the Company 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 (LIC), 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 ₹ 20.00 lakhs. Vesting occurs upon completion of five years of service.

The weighted average duration of the defined benefit obligation as on March 31, 2018 is 7 years (March 31, 2017 6.65 years).

### Post Retirement Obligation - 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 LIC. 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.

The weighted average duration of the defined benefit obligation as on March 31, 2018 is 1 year (March 31, 2017 1.83 years).

### Post Retirement Obligation - Lump sum payment in lieu of Pension (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.

The weighted average duration of the defined benefit obligation as on March 31, 2018 is 5 years (March 31 2017 9.35 years).



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## In respect of subsidiaries

### Gratuity (Unfunded)

The Group provides for gratuity for the employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The weighted average duration of the defined benefit obligation for India Power Corporation (Bodhgaya) Limited (subsidiary of the Company) as at 31 March 2018 is 8 years (31 March 2017 10.92 years).

The weighted average duration of the defined benefit obligation for IPCL Power Trading Private Limited (subsidiary of the Company) as at 31 March 2018 is 15 years (31 March 2017 22.23 years).

The weighted average duration of the defined benefit obligation for Meenakshi Energy Limited (subsidiary of the Company) as at 31 March 2018 is 21.95 years (31 March 2017 20.5 to 21.5 years).

## 48.1 Employee benefit obligation

(₹ in lakhs)

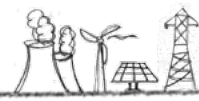
Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-current	Current	Non-current
Gratuity (funded)	1,385.82	-	1,266.61	-
Gratuity (unfunded)	0.90	85.44	0.57	58.07
Superannuation (funded)	17.25	-	13.03	-
Pension	3.45	50.69	5.07	33.85
Leave Obligations	1.09	34.46	0.21	26.20
<b>Total</b>	<b>1,408.51</b>	<b>170.59</b>	<b>1,285.49</b>	<b>118.12</b>

## 48.2 Reconciliation of opening and closing balances of the present value of defined benefit obligations

(₹ in lakhs)

Particulars	Funded				Unfunded	
	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Opening balance	1,416.71	1,430.64	20.91	15.51	38.92	41.85
Current service cost	98.49	81.14	-	-	1.84	1.32
Interest cost	91.44	103.61	1.31	1.13	2.45	3.00
Plan amendments	30.83	-	-	-	-	-
Actuarial (gain)/loss	102.67	23.45	3.40	4.27	20.05	(0.65)
Benefits paid	(196.97)	(222.13)	-	-	(9.12)	(6.60)
Closing balance	1,543.17	1,416.71	25.62	20.91	54.14	38.92





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 48.2 Reconciliation of opening and closing balances of the present value of defined benefit obligations (Contd.)

(₹ in lakhs)

Particulars	Unfunded	
	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Opening balance	59.09	46.76
Current service cost	6.70	6.56
Interest cost	4.24	3.63
Plan amendments	11.90	-
Actuarial (gain)/loss	7.01	2.14
Closing balance	88.93	59.09

### 48.3 Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in lakhs)

Particulars	Gratuity (Funded)		Superannuation Fund	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	Opening balance	150.10	141.11	7.88
Expected return on Plan Assets	11.11	27.54	0.49	1.46
Actuarial gain/(loss)	4.95	(29.63)	-	(13.66)
Contribution	214.01	226.39	-	-
Benefits paid	(222.82)	(215.31)	-	-
Closing balance	157.35	150.10	8.37	7.88

### 48.4 Amount recognised in Balance Sheet

(₹ in lakhs)

Particulars	Funded				Unfunded	
	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Present value of obligation	(1,543.17)	(1,416.71)	(25.62)	(20.91)	(54.14)	(38.92)
Fair Value of Plan Assets	157.35	150.10	8.37	7.88	-	-
Net Asset/(Liability)	(1,385.82)	(1,266.61)	(17.25)	(13.03)	(54.14)	(38.92)



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 48.5 Amount recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Gratuity (Funded)		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Current service cost	98.49	81.14	-	-	1.84	1.32
Past Service Cost- Plan Amendment	30.83	-	-	-	-	-
Interest cost	91.44	103.62	1.31	1.13	2.45	2.99
Expected return on Plan Assets	(11.11)	(27.54)	(0.49)	(1.46)	-	-
Actuarial Losses/(gains)	(67.58)	(24.90)	-	-	-	-
Premium Expenses	(3.15)	1.79	-	-	-	-
Recognised in Profit and Loss Account	138.92	134.11	0.82	(0.33)	4.29	4.31
Under	Contribution to Provident and Other Funds				Salaries, Wages and Bonus	

(₹ in lakhs)

Particulars	Gratuity (Unfunded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Current service cost	6.70	6.56
Past Service Cost- Plan Amendment	-	-
Interest cost	4.24	3.63
Expected return on Plan Assets	11.90	-
Recognised in Profit and Loss Account	22.84	10.19
Under	Contribution to Provident and Other Funds	

## 48.6 Amount recognised in the statement of Other Comprehensive Income

(₹ in lakhs)

Particulars	Gratuity (Funded)		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Net Cumulative unrecognised actuarial (gain)/ loss opening	440.24	388.94	90.73	72.79	11.81	12.46
Experience adjustments on Plan Assets (Gains)/ Loss	(8.11)	27.85	-	13.66	-	-
Actuarial (gain)/ loss for the year	102.67	23.45	3.40	4.28	20.05	(0.65)
Unrecognised actuarial (Gain)/Loss at the end of the year	534.80	440.24	94.13	90.73	31.86	11.81





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 48.6 Amount recognised in the statement of Other Comprehensive Income (Contd.)

(₹ in lakhs)

Particulars	Gratuity (Unfunded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Net Cumulative unrecognised actuarial (gain)/loss opening	-	-
Experience adjustments on Plan Assets (gain)/loss	-	-
Actuarial (gain)/loss for the year	6.58	2.14
Unrecognised actuarial (gain)/loss at the end of the year	6.58	2.14

### 48.7 Experience adjustment on Plan Liabilities and Assets

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Defined benefit obligations	1,469.48	1,311.61	25.62	20.91	54.14	38.92
Plan assets	44.17	69.49	8.37	7.88	-	-
Surplus/(Deficit)	(1,425.31)	(1,242.12)	(17.25)	(13.03)	(54.14)	(38.92)
Experience adjustments on Plan liabilities (gain)/loss	93.27	(3.42)	3.71	1.31	21.30	(1.86)
Experience adjustments on Plan Assets (gain)/loss	(8.11)	27.85	-	13.66	-	-
Actuarial (gain)/loss on Plan liabilities due to change of assumptions	76.98	51.77	(0.31)	2.96	(1.25)	1.22

### 48.8 Breakup of Actuarial (gain)/loss:

(₹ in lakhs)

Particulars	Gratuity (Funded)		Superannuation Fund		Lump sum Payment in lieu of pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	76.98	51.77	(0.31)	2.96	(1.25)	1.22
Actuarial (gain)/loss on arising from experience adjustment	93.27	(3.42)	3.71	1.31	21.30	(1.86)
Total	170.25	48.35	3.40	4.27	20.05	(0.64)





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 48.8 Breakup of Actuarial (gain)/loss: (Contd.)

(₹ in lakhs)

Particulars	Gratuity (Unfunded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	7.02	2.78
Actuarial (gain)/loss on arising from experience adjustment	(0.01)	(0.64)
Total	7.01	2.14

## 48.9 Sensitivity analysis

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Impact of the change in discount rate</b>						
-increase of 1 %	(86.26)	(58.44)	(0.24)	-	(2.43)	(1.25)
-decrease of 1 %	97.18	68.02	0.23	-	2.67	1.41
<b>Impact of the change in salary increase</b>						
-increase of 1 %	97.91	68.03	0.25	-	-	-
-decrease of 1 %	(88.76)	(58.32)	(0.25)	-	-	-
<b>Impact of Change in withdrawal rate</b>						
-increase of 2 %	2.83	63.01	-	-	-	1.33
-decrease of 2 %	(3.02)	(62.75)	-	-	-	(1.33)
<b>Impact of Change in Mortality rate</b>						
-increase of 10 %	0.79	62.94	0.01	-	0.05	1.33
-decrease of 10 %	(0.79)	(62.82)	(0.01)	-	(0.05)	(1.32)

Gratuity fund is maintained with LIC and HDFC and Superannuation fund is maintained with LIC

## 48.10 Principal Actuarial Assumptions used for estimating the Company's Defined benefit obligations are set out below:

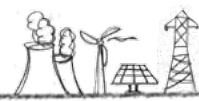
(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Discount Rate	7.60	6.93	7.60	6.26	7.60	7.12
Expected rate of increase in salary	5.00	3.50	5.00	3.50	-	-
Expected rate of return of plan assets	7.60	6.93	7.60	6.26	-	-
Mortality rate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate

\*IALM- Indian Assured Lives Mortality

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 48.10 Principal Actuarial Assumptions used for estimating the Company's Defined benefit obligations are set out below: (Contd.)

Principal Actuarial Assumptions used for estimating the Defined benefit obligations of one of the subsidiaries India Power Corporation (Bodhgaya) Limited are set out below:

(₹ in lakhs)

Particulars	Gratuity (Unfunded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Discount Rate (%)	7.60	7.18
Expected rate of increase in salary (%)	5.00	3.50

Principal Actuarial Assumptions used for estimating the Defined benefit obligations of one of the subsidiaries IPCL Power Trading Private Limited are set out below:

(₹ in lakhs)

Particulars	Gratuity (Unfunded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Discount Rate (%)	7.60	7.38
Expected rate of increase in salary (%)	5.00	3.50

Principal Actuarial Assumptions used for estimating the Defined benefit obligations of one of the subsidiaries Meenakshi Energy Limited are set out below:

(₹ in lakhs)

Particulars	Gratuity (funded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Discount Rate (%)	8.00	8.00
Expected rate of increase in salary (%)	5.00	5.00
Expected rate of return on plan assets (%)	7.50	8.25
Mortality Table	LIC (2006-08)	LIC (2006-08)
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	19.74	16.00

**48.11** The contribution to the defined benefit plans expected to be made by the Group during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.

## 49 DEFINED CONTRIBUTION PLANS

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Group is limited to the amount contributed and it has no further contractual not any constructive obligation

During the year ₹ 423.94 lakhs has been recognised as expenditure towards defined contribution plans of the Group (previous year ₹ 418.07 lakhs)

**50** The business of the Group falls within a single primary segment viz, "Generation and Distribution of Power in India" and hence segment information in terms of Indian Accounting Standard (Ind- AS) 108 "Operating Segments" is not required.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 51 DISCLOSURE PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS"

*Summarised description of the acquisition*

### For year ended 31st March, 2018

On 23rd June 2017, India Power Green Utility Private Limited (wholly owned subsidiary of the Company) acquired 49% of the issued share capital and a call option to buy remaining 51% share at the future fixed price of INR 5,100 of PL Surya Vidyut Limited, a Company engaged in generation, transmission, distribution and management of solar power.

Details of the purchase consideration, the net assets acquired and capital reserve are as follows:

(₹ in lakhs)

Purchase Consideration	PL Surya Vidyut Limited
Cash paid	48.78
Equity shares issued	-
Contingent consideration	-
<b>Total Purchase consideration</b>	<b>48.78</b>

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in lakhs)

Particulars	PL Surya Vidyut Limited
Intangibles Recognised	430.99
Net Deposits and Prepaid	35.50
Trade Receivables	117.70
Long Term Borrowings	(247.40)
Trade Payables	(94.16)
Prepaid Expenses	2.20
Advance Lease Rentals	44.72
<b>Net Identifiable Assets acquired</b>	<b>289.55</b>

(₹ in lakhs)

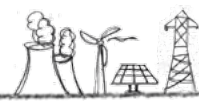
Calculation of Goodwill/Capital Reserve	PL Surya Vidyut Limited
Consideration transferred	48.78
Less: Net identifiable assets acquired	(289.55)
<b>Goodwill/(Capital Reserves)</b>	<b>(240.77)</b>

Purchase Consideration - Cash Outflow

(₹ in lakhs)

Particulars	PL Surya Vidyut Limited
Out Flow of Cash for acquire subsidiaries	
Cash Consideration	(48.78)
<b>Net outflow of cash - Investing activities</b>	<b>(48.78)</b>





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 51 DISCLOSURE PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS" (CONTD.)

### Summarised description of the acquisition

#### **For year ended 31st March, 2017**

On 23rd February 2017 India Power Green Utility Private Limited (wholly owned subsidiary of the Company) acquired 49% of the issued share capital and a call option to buy remaining 51% share at the future fixed price of INR 5,100 of PL Solar Renewable Limited, a company engaged in generation, transmission, distribution and management of solar power.

On 23rd February 2017 India Power Green Utility Private Limited (wholly owned subsidiary of the Company) acquired 49% of the issued share capital and a call option to buy remaining 51% share at the future fixed price of INR 5,100 of PL Sunrays Power Limited, a company engaged in generation, transmission, distribution and management of solar power.

The Company invested on 30th September, 2016 to hold 3,811,506,509 shares of Meenakshi Energy Limited (MEL), representing 95.07% of Meenakshi Energy Limited equity shares.

Details of the purchase consideration, the net assets acquired and capital reserve are as follows:

(₹ in lakhs)

Purchase Consideration	PL Solar Renewable Limited	PL Sunrays Power Limited	Meenakshi Energy Limited
Cash paid	76.48	50.43	0.01
Equity shares issued	-	-	-
Contingent consideration	-	-	-
<b>Total Purchase consideration</b>	<b>76.48</b>	<b>50.43</b>	<b>0.01</b>

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in lakhs)

Particulars	PL Solar Renewable Limited	PL Sunrays Power Limited	Meenakshi Energy Limited
Intangibles Recognised/ Acquired	341.03	348.42	168.91
Tangible Assets	-	-	553,561.22
Net Deposits and Prepaid	39.34	38.17	236.59
Long Term Borrowings	(185.27)	(206.14)	(306,389.00)
Current Assets	-	-	160,870.00
Other Assets (net of other liabilities)	-	-	(15,145.00)
Non-Controlling interest	-	-	(19,431.06)
Prepaid Expenses	9.01	7.88	496.58
Advance Lease Rentals	2.76	-	-
<b>Net Identifiable Assets acquired</b>	<b>206.87</b>	<b>188.33</b>	<b>374,368.24</b>

(₹ in lakhs)

Calculation of Goodwill/Capital Reserve	PL Solar Renewable Limited	PL Sunrays Power Limited	Meenakshi Energy Limited
Consideration transferred	76.48	50.43	0.01
Less: Net identifiable assets acquired	(206.87)	(188.33)	(374,368.24)
<b>Goodwill/(Capital Reserves)</b>	<b>(130.39)</b>	<b>(137.90)</b>	<b>(374,368.23)</b>

Purchase Consideration - Cash Outflow

(₹ in lakhs)

Particulars	PL Solar Renewable Limited	PL Sunrays Power Limited	Meenakshi Energy Limited
Out Flow of Cash to acquire subsidiaries			
Cash Consideration	(76.48)	(50.43)	(0.01)
<b>Net outflow of cash - Investing activities</b>	<b>(76.48)</b>	<b>(50.43)</b>	<b>(0.01)</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 52 FINANCIAL INSTRUMENT - (FINANCIAL ASSETS AND FINANCIAL LIABILITIES)

### 52.1 Categories of Financial Instruments

Details with respect to financial assets and financial liabilities are as follows:

(₹ in lakhs)

Particulars	31st March, 2018			31st March, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
<b>Investments</b>						
- Equity Investments	383.16	285.95	-	296.59	279.55	-
- Bonds and Debentures	-	2.50	209.05	-	2.50	209.05
- Mutual Funds	37,050.98	-	-	107,179.64	-	-
- Compulsorily Convertible Preference Shares	-	-	-	-	-	30,682.70
- Government Securities	-	-	2.92	-	-	2.92
Trade Receivables	-	-	24,569.91	-	-	20,764.48
Loans	-	-	1,767.77	-	-	1,238.46
Cash and Cash Equivalents	-	-	2,709.20	-	-	6,200.40
Fixed Deposit	-	-	8,798.74	-	-	12,074.03
Beneficial Interest in Power Trust	-	81,871.84	-	-	81,878.04	-
Receivable Others	-	-	89,828.18	-	-	56,236.11
Accrued Interest	-	-	112.10	-	-	498.82
<b>Total Financial Assets</b>	<b>37,434.14</b>	<b>82,160.29</b>	<b>127,997.87</b>	<b>107,476.23</b>	<b>82,160.09</b>	<b>127,906.97</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	342,576.35	-	-	353,964.69
Trade Payables	-	-	28,788.71	-	-	28,077.36
Consumer Advances	-	-	2,717.29	-	-	2,424.21
Others	-	-	79,123.38	-	-	52,826.14
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>453,205.73</b>	<b>-</b>	<b>-</b>	<b>437,292.40</b>

### 52.2 Fair Value Hierarchy

The Group categorises assets and liabilities measured at fair value into one of the three levels depending on the ability to observe inputs employed in their measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on recurring basis.

#### (a) Financial Assets and Liabilities measured at Fair Value

(₹ in lakhs)

At 31 March 2018	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	31-03-2018	37,050.98	-	-	37,050.98
Equity Instruments	31-03-2018	-	-	383.16	383.16







# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 52.2 Fair Value Hierarchy (Contd.)

### (a) Financial Assets and Liabilities measured at Fair Value (Contd.)

(₹ in lakhs)

At 31 March 2018	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Investment at FVTOCI</b>					
Listed Equity Investment	31-03-2018	245.36	-	-	245.36
Unquoted Equity Instruments	31-03-2018	-	-	40.59	40.59
Bonds and debentures	31-03-2018	-	-	2.50	2.50
Beneficial Interest in Power Trust	31-03-2018	-	-	81,871.84	81,871.84
<b>Total Financial Assets</b>		<b>37,296.34</b>	<b>-</b>	<b>82,298.09</b>	<b>119,594.43</b>

(₹ in lakhs)

At 31 March 2017	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	31-03-2017	107,179.64	-	-	107,179.64
Equity Instruments	31-03-2017	-	-	296.59	296.59
<b>Financial Investment at FVTOCI</b>					
Listed Equity Investment	31-03-2017	242.21	-	-	242.21
Unquoted Equity Instruments	31-03-2017	-	-	37.34	37.34
Bonds and debentures	31-03-2017	-	-	2.50	2.50
Beneficial Interest in Power Trust	31-03-2017	-	-	81,878.04	81,878.04
<b>Total Financial Assets</b>		<b>107,421.85</b>	<b>-</b>	<b>82,214.47</b>	<b>189,636.32</b>

During the year ended March 31, 2018 and March 31, 2017 there were no transfer between level 1, level 2 and level 3 fair value measurement.

### b) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and current borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised cost in the financial statements approximates their fair values.
- Non-current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value of such Non-current borrowings approximates fair value subject to adjustments made for transaction cost.
- Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.
- Valuation of Beneficial Interest in Power Trust has been arrived by adopting Discounted Free Cash Flow method (DCF) and Profit Earning Capacity Value Method (PECV) with respect to investment held by them. Due weightage has been given by the valuer to the methods adopted. The DCF method estimates the cash flows for each financial period included in the period for projections and discounts this to its present value at an appropriate Weighted Average Cost of Capital (WACC). Under PECV method, the equity is valued by multiplying the future maintainable earnings by an appropriate Price / Earnings (P/E) multiple. The valuation is based on the assumptions and estimates considered appropriate by the valuer.
- Fair Value for valuation of unquoted equity instruments is arrived at historical Net Asset Value (NAV) based on the financial statements of the respective companies.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 52.2 Fair Value Hierarchy (Contd.)

### c) Significant unobservable inputs used in level 3 fair values

(₹ in lakhs)

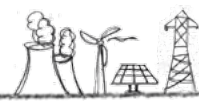
As at March 31, 2018	Significant Unobservable Inputs	Sensitivity of input to fair value measurement
(i) Fair valuation of unquoted Equity instruments	Historical NAV	Increase in book value by 10% will have a positive impact of ₹ 4.05 lakhs
		Decrease in book value by 10% will have a negative impact of ₹ 4.05 lakhs
(ii) Fair valuation of Beneficial Interest in Power Trust	Forecast Revenue	Increase in revenue by 10% will have a positive impact of ₹ 116,871 lakhs
		Decrease in revenue by 10% will have a negative impact of ₹ 40,845 lakhs
	Discount factor and P/E multiple	Increase in discount rate by 1% will have a negative impact of ₹ 63,205 lakhs
		Decrease in discount rate by 1% will have a positive impact of ₹ 92,987 lakhs

## 52.3 Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
<b>Investments</b>				
Bonds and Debentures	211.97	211.97	211.97	211.97
Compulsorily Convertible Preference Shares	-	-	30,682.70	30,682.70
Trade Receivable	24,569.91	24,569.91	20,764.48	20,764.48
<b>Loans</b>				
Loan to related parties	5.00	5.00	5.00	5.00
Loans to employees	6.54	6.54	9.19	9.19
Receivable Others	91,180.61	91,180.61	57,056.33	57,056.33
Cash & Cash Equivalent	2,709.20	2,709.20	6,200.40	6,200.40
Fixed Deposit	8,798.74	8,798.74	12,074.03	12,074.03
Security deposits	403.80	403.80	404.05	404.05
Accrued Interest	112.10	112.10	498.82	498.82
<b>Total financial assets</b>	<b>127,997.87</b>	<b>127,997.87</b>	<b>127,906.97</b>	<b>127,906.97</b>
<b>Financial liabilities</b>				
Borrowings	342,576.35	342,576.35	353,964.69	353,964.69
Trade Payable	7,868.46	7,868.46	10,388.42	10,388.42
Others	13,058.93	13,058.93	10,572.68	10,572.68
Consumer Advances	2,717.29	2,717.29	2,424.21	2,424.21
<b>Total financial liabilities</b>	<b>366,221.03</b>	<b>366,221.03</b>	<b>377,350.00</b>	<b>377,350.00</b>





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 53 FINANCIAL RISK MANAGEMENT

The Group's business activities are exposed to a variety of financial risks – credit risk, liquidity risk and market risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

### 53.1 Credit Risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables). The Group's exposure to credit risk is influenced mainly by the individual characteristic of each consumer and the concentration of risk from the top few consumers.

The Company extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per terms of Power Purchase agreement (PPA) entered with DISCOMS for non regulatory business. Consumers outstanding are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business is covered with PPA with government undertakings and in case of regulated business outstanding are as governed by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No objection certificate" from the Company. The Company has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent (refer note no. 12.2).

Credit risk pertaining to regulatory receivables have been dealt with in note no. 18.1.

### 53.2 Liquidity Risk

The Group objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Group relies on Borrowing and internal accruals to meet its need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs.

The table provides undiscounted cash flow towards non -derivative financial liabilities and net settled derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

(₹ in lakhs)

Particulars	Upto 6 month	6 to 12 Months	Above 12 months	Total
<b>As at 31st March 2018</b>				
Interest bearing Borrowings (Including Current Maturity)				
- Principal	46,337.57	29,491.02	308,399.63	384,228.22
- Interest	1,958.25	1,260.97	3,438.87	6,658.09
Finance lease obligation	2.73	-	173.50	176.23
Trade and Other payables	12,187.50	12,373.00	4,390.14	28,950.64
Other Financial Liabilities	15,084.51	3,099.63	24,528.32	42,712.46
<b>Total</b>	<b>75,570.56</b>	<b>46,224.62</b>	<b>340,930.46</b>	<b>462,725.64</b>

(₹ in lakhs)

Particulars	Upto 6 month	6 to 12 Months	Above 12 months	Total
<b>As at 31st March 2017</b>				
Interest bearing Borrowings (Including Current Maturity)				
- Principal	13,518.27	21,520.45	337,290.59	372,329.31
- Interest	2,620.12	2,395.29	23,144.84	28,160.25
Finance lease obligation	2.73	-	176.01	178.74
Trade and Other payables	21,718.13	5,257.79	3,879.93	30,855.85
Other financial liabilities	10,370.03	1,016.19	23,692.90	35,079.12
<b>Total</b>	<b>48,229.28</b>	<b>30,189.72</b>	<b>388,184.27</b>	<b>466,603.27</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 53.2 Liquidity Risk (Contd.)

### Unused Lines of Credit

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured	23,674.64	44,707.24
Unsecured	2,727.88	2,975.00
<b>Total</b>	<b>26,402.52</b>	<b>47,682.24</b>

In terms of loan agreement the Group is required to fulfil specified covenants including maintaining debt service and other ratios, and failing which the lender has option to call back the loan.

The Group has current financial assets which will be realised in ordinary course of business. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

## 53.3 Market Risk

The Group does not have any material market risk.

## 53.4 Interest rate risk

### (i) Interest rate risk exposure

Interest rate exposure of the Group is mainly on Borrowing from Banks, which is linked to Marginal Cost of fund based Lending Rate (MCLR) of bank's lending and the Group does not foresee any risk on the same. Non Convertible Debentures were issued at fixed rate of interest and Inter Corporate Deposits were taken on fixed rate of interest.

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Variable rate borrowings	359,746.22	351,865.88
Fixed rate borrowings	24,566.35	22,250.90
<b>Total borrowings</b>	<b>384,312.57</b>	<b>374,116.78</b>

### Interest Rate of Borrowing

(₹ in lakhs)

Particulars	Total Borrowing	Floating Rate Borrowings	Fixed Rate Borrowing
<b>As at 31st March 2018</b>			
Secured	374,312.47	349,746.12	24,566.35
Unsecured	10,000.10	10,000.10	-
<b>Total</b>	<b>384,312.57</b>	<b>359,746.22</b>	<b>24,566.35</b>
<b>As at 31st March 2017</b>			
Secured	373,716.78	351,865.88	21,850.90
Unsecured	200.00	-	200.00
<b>Total</b>	<b>373,916.78</b>	<b>351,865.88</b>	<b>22,050.90</b>





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 53.4 Interest rate risk (Contd.)

### (ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	Impact on profit before tax	
	31st March, 2018	31st March, 2017
Interest rates – increase by 50 basis points	1,798.73	1,759.33
Interest rates – decrease by 50 basis points	(1,798.73)	(1,759.33)

## 53.5 Capital Management

### Risk Management

For the purpose of the Group's capital management, capital includes issued equity share capital, share capital suspense account and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder's value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Borrowings	384,312.57	374,116.78
Less: Cash and cash equivalents	2,709.20	6,200.40
Net debt (A)	381,603.37	367,916.38
Total equity	502,666.33	500,439.88
Total equity plus net debts (B)	884,269.70	868,356.26
<b>Gearing ratio (A/B)</b>	<b>43%</b>	<b>42%</b>

Refer note 20.5 (b) for General Reserve arising on amalgamation which is included for arriving at total equity.

**54** In case of one of the subsidiary of the Company, IPCL Pte. Ltd, its total and current liabilities exceeded its total and current assets. The financial statements have been prepared on a going concern basis as the ultimate holding Company (India Power Corporation Limited) intends to provide adequate funds to enable the subsidiary meet their liabilities as and when they fall due and the ultimate holding Company will not demand for payment due to them for the next twelve months.

## 55 SERVICE CONCESSION ARRANGEMENTS

Under the previous GAAP, accounting for Public to Private Service Concession Arrangements were not covered in any of the standards. Appendix A of Ind AS 11 provides that an entity needs to apply the Appendix to Public to Private Service Concession Arrangements if:

- The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price
- The grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement

Infrastructure within the scope of this Appendix shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

### 55 SERVICE CONCESSION ARRANGEMENTS (CONTD.)

Infrastructure items to which the operator is given access by the grantor for the purposes of the service arrangement are not recognised as property, plant and equipment of the operator.

Accordingly the subsidiary, India Power Corporation (Bodhgaya) Limited being the 'operator' or 'service provider' for the Service Concession Arrangement in existence has applied Appendix A of Ind AS 11 and has accordingly recognised Intangible Asset for the right to charge users of the public service and derecognised Fixed Assets carried under previous GAAP in Ind AS on the transition date.

The subsidiary, India Power Corporation (Bodhgaya) Limited accounts for revenue and costs relating to construction services in accordance with Ind AS 11.

The subsidiary, India Power Corporation (Bodhgaya) Limited accounts for revenue and costs relating to operation services in accordance with Ind AS 18.

56 PL Solar Renewable Limited, PL Surya Vidyut Limited and PL Sunrays Power Limited, step-down subsidiaries of the Company has entered into an agreement with SREI Equipment Finance Limited (SREI) to facilitate joint use and operation of the project assets for the implementation of the project. The project assets will remain the property of the SREI, the right to jointly use and operate the project assets have commenced from the date of COD and shall continue for the whole of the term of Power Purchase Agreement. Pursuant to the said revenue sharing agreement revenue receipts split in the ratio of 20:80 between the companies.

### 57 DETAILS OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

The Group has entered into forward contracts during the year to hedge against firm commitments and highly probable forecast transactions for payments to be made for the import of Capital equipment to be used for construction of Phase-II of Power plant as indicated below:

#### (i) Outstanding forward exchange contracts :

(Amount in lakhs)

Particulars	As on	
	March 31, 2018	March 31, 2017
Currency	US\$	US\$
Amount	-	46.38
Buy/Sell	Buy	Buy
Cross Currency	INR	INR

Short term provisions include net mark-to-market loss of ₹ Nil (Previous year: ₹ 170.23 lakhs) relating to forward contracts which are outstanding at year end.

#### (ii) Unhedged foreign currency exposure :

(Amount in lakhs)

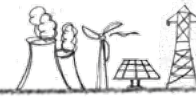
Particulars	As on March 31, 2018		As on March 31, 2017	
	US\$	₹	US\$	₹
Trade payables	99.00	6,439.56	153.26	9,937.10





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018



## 58.1 Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Joint Ventures and Associates as per Schedule III of Companies Act, 2013

(₹ in lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Profit/Loss	As % of Consolidated net assets	Other Comprehensive Income	As % of Consolidated net assets	Total Comprehensive Income
<b>Parent Company</b>								
India Power Corporation Limited	21.87%	114,292.95	106.28%	2,134.43	113.72%	(120.54)	105.83%	2,013.89
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
India Power Corporation (Bodhgaya) Limited	0.06%	315.51	3.55%	71.35	3.68%	(3.90)	3.55%	67.45
IPCL Power Trading Private Limited	0.01%	65.86	1.16%	23.22	0.81%	(0.85)	1.18%	22.37
India Power Green Utility Private Limited	-0.02%	(105.76)	-4.81%	(96.53)	-	-	-5.07%	(96.53)
Meenakshi Energy Limited	74.24%	388,145.38	3.76%	75.61	-18.19%	19.28	4.99%	94.89
<b>Stepdown Subsidiaries</b>								
PL Sunrays Power Limited	0.00%	(4.49)	0.24%	4.92	-	-	0.26%	4.92
PL Solar Renewable Limited	0.00%	(4.31)	0.22%	4.40	-	-	0.23%	4.40
PL Surya Vidyut Limited	0.01%	34.41	1.71%	34.41	-	-	1.81%	34.41
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
IPCL Pte Ltd (Refer 58.1 a)	-0.09%	(456.38)	-17.68%	(355.09)	-	-	-18.66%	(355.09)
<b>Non-controlling Interest in all subsidiaries</b>	<b>3.85%</b>	<b>20,124.40</b>	<b>1.21%</b>	<b>24.30</b>	<b>-0.92%</b>	<b>0.97</b>	<b>1.33%</b>	<b>25.27</b>
<b>Joint Venture</b>								
Matsaya Shipping & Ports Private Limited	0.00%	-	-0.02%	(0.49)	-	-	-0.03%	(0.49)
India Uniper Power Services Private Limited	0.07%	383.16	4.38%	88.02	0.90%	(0.96)	4.58%	87.06
<b>Total</b>	<b>100.00%</b>	<b>522,790.72</b>	<b>100.00%</b>	<b>2,008.55</b>	<b>100.00%</b>	<b>(106.00)</b>	<b>100.00%</b>	<b>1,902.55</b>

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31st March 2018

58.1(a) Includes information of its subsidiary Edison Power Limited

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

## 58.2 Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Joint Ventures and Associates as per Schedule III of Companies Act, 2013

(₹ in lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2016-17		2016-17		2016-17		2016-17	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Profit/Loss	As % of Consolidated net assets	Other Comprehensive Income	As % of Consolidated net assets	Total Comprehensive Income
<b>Parent Company</b>								
India Power Corporation Limited	15.59%	81,213.52	21.49%	3,912.01	102.26%	(104.40)	21.04%	3,807.61
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
India Power Corporation (Bodhgaya) Limited	0.05%	248.05	0.09%	17.05	1.68%	(1.72)	0.08%	15.33
IPCL Power Trading Private Limited	0.01%	43.49	0.14%	25.94	-0.29%	0.30	0.14%	26.24
India Power Green Utility Private Limited	0.00%	(9.23)	-0.02%	(3.95)	-	-	-0.02%	(3.95)
Meenakshi Energy Limited	74.54%	388,050.49	75.13%	13,678.56	-3.65%	3.73	75.57%	13,682.29
<b>Stepdown Subsidiaries</b>								
PL Sunrays Power Limited	0.00%	(9.41)	-0.05%	(9.41)	-	-	-0.05%	(9.41)
PL Solar Renewable Limited	0.00%	(8.71)	-0.05%	(8.71)	-	-	-0.05%	(8.71)
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
IPCL Pte Ltd (Refer 58.2 a)	-0.01%	(67.64)	-0.23%	(41.35)	-	-	-0.23%	(41.35)
<b>Non-controlling interest in all subsidiaries</b>	<b>3.87%</b>	<b>20,126.24</b>	<b>3.81%</b>	<b>692.91</b>	<b>-</b>	<b>-</b>	<b>3.83%</b>	<b>692.91</b>
<b>Joint Venture</b>								
Matsaya Shipping & Ports Private Limited	0.00%	0.50	0.00%	-	-	-	-	-
India Uniper Power Services Private Limited	0.06%	296.10	-0.31%	(56.41)	-	-	-0.31%	(56.41)
<b>Associate</b>								
Hiranmaye Energy Limited (Formerly known as India Power Corporation (Haldia) Limited)	5.89%	30,682.70	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>520,566.10</b>	<b>100.00%</b>	<b>18,206.64</b>	<b>100.00%</b>	<b>(102.09)</b>	<b>100.00%</b>	<b>18,104.55</b>

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31st March 2017

**58.2(a)** Includes information of its subsidiary Edison Power Limited





## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- 59** These financial statements have been approved and adopted by Board of Directors of the Company in their meeting dated May 29, 2018 for issue to the shareholders for their adoption.
- 60** Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary to make them comparable with those of current year.

As per our report on even date  
For [S.S. Kothari Mehta & Co](#)  
Chartered Accountants  
Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
Partner  
Membership No. 095960

**Raghav Raj Kanoria**  
Managing Director  
(DIN:07296482)

**A.K. Goswami**  
Whole Time Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

Place: Kolkata/New Delhi  
Date: 29th May, 2018

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**Sanjeev Seth**  
Chief Executive Officer



**Annexure - A**

**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**

(₹ in lakhs)

Sl No	Name of subsidiary	The date since subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Foreign Currency in \$ and Euro				
										Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	
1	India Power Corporation (Bodhgaya) Limited	12th September 2013	INR	10.00	315.49	36,686.19	36,360.70	-	29,208.99	124.22	52.87	71.35	-	
2	IPCL Power Trading Private Limited	3rd September, 2014	INR	521.00	63.30	1,730.20	1,145.90	-	8,586.16	31.18	7.91	23.27	-	
3	IPCL Pre. Ltd	4th October, 2013	INR	5.94	(456.95)	4.81	455.82	-	-	(378.24)	-	(378.24)	-	
4	Edison Power Limited	25th August, 2015 to 27th June 2017	INR	-	(927,313.00)	9,745.00	925,058.00	-	-	(764,903.00)	-	(764,903.00)	-	
5	Meenakshi Energy Limited	30th September, 2016	Euro	-	-	-	-	-	117,597.30	45,658.03	-	45,658.03	-	
6	India Power Green Utility Private Limited	30th December, 2015	INR	410,957.55	(22,451.19)	729,375.61	340,869.25	36,871.64	41,218.72	80.45	-	80.45	-	
7	PL Solar Renewable Limited	23rd February, 2017	INR	11.00	(105.76)	757.89	852.65	175.69	72.78	(96.53)	-	(96.53)	-	
8	PL Sunrays Power Limited	23rd February, 2017	INR	1.00	(141.65)	284.11	424.76	-	178.00	5.50	1.10	4.40	-	
9	PL Surya Vidyut Limited	23rd June, 2017	INR	1.00	(166.49)	311.89	477.38	-	181.46	6.17	1.25	4.92	-	
					(108.02)	307.28	414.30	-	167.77	(107.64)	(0.39)	(107.25)	-	

As on 31.03.2018 1 \$\$= 49.5967 INR

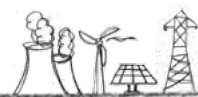
As on 31.03.2018 1 Euro= 73.0333 INR

Notes: The following information shall be furnished at the end of the statement:

- Names of Subsidiaries which are yet to commence operations.  
IPCL Pte. Ltd.  
India Power Green Utility Private Limited
- Names of Subsidiaries which have been liquidated or sold during the year.  
Edison Power Limited





**Part-"B" : Associates & Joint Ventures**

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

**Associates**

NIL

**Joint Venture**

Sl No	Name of Joint Venture	India Uniper Power Services Private Limited	Matsya Shipping & Ports Private Limited
1	Latest audited Balance Sheet Date	31.03.2018	31.03.2018
2	Share of Joint Venture		
	No.	3,525,000	5,000
	Amount of Investment in Joint Venture	₹ 352.50 Lakhs	₹ 0.50 Lakhs
	Extent of Holding %	50%	50%
3	Description of how there is significant influence	Not Applicable	Not Applicable
4	Reason why Joint Venture is not consolidated	Consolidated	Consolidated
5	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 737.72 Lakhs	₹ (4.80) Lakhs
6	Profit/Loss for the year		
i	Considered in Consolidation	₹ 87.06 Lakhs	₹ (0.49) Lakhs
ii	Not Considered in Consolidation	Nil	₹ (0.54) Lakhs

As per our report on even date  
For **S.S. Kothari Mehta & Co**  
Chartered Accountants  
Firm Registration No. 000756N

For and on behalf of the Board

**Neeraj Bansal**  
Partner  
Membership No. 095960

**Raghav Raj Kanoria**  
Managing Director  
(DIN:07296482)

**A.K. Goswami**  
Whole Time Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

Place: Kolkata/New Delhi  
Date: 29th May, 2018

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**Sanjeev Seth**  
Chief Executive Officer



# GLOSSARY

<b>ABT</b>	Availability Based Tariff	<b>LT</b>	Low Tension
<b>AMR</b>	Automated Meter Reading	<b>MU</b>	Million Units (equivalent to Giga Watt Hour)
<b>APR</b>	Annual Performance Review	<b>MVA</b>	Mega Volt-Ampere
<b>ARR</b>	Aggregate Revenue Requirement	<b>MVAC</b>	Medium Voltage Alternate Current
<b>AT&amp;C</b>	Aggregate Technical & Commercial	<b>MVCA</b>	Monthly Variable Cost Adjustment
<b>CAGR</b>	Compounded Annual Growth Rate	<b>MW</b>	Mega Watt
<b>CEA</b>	Central Electricity Authority	<b>MWH</b>	Mega Watt Hour
<b>CERC</b>	Central Electricity Regulatory Commission	<b>MYT</b>	Multi Year Tariff
<b>Ckm</b>	Circuit Kilometre	<b>O&amp;M</b>	Operation & Maintenance
<b>COD</b>	Commercial Operation Date	<b>PAF</b>	Plant Availability Factor
<b>CUF</b>	Capacity Utilisation Factor	<b>PF</b>	Power Factor
<b>DF</b>	Distribution Franchisee	<b>PLF</b>	Plant Load Factor
<b>Discom</b>	Distribution Company	<b>PPA</b>	Power Purchase Agreement
<b>FPPCA</b>	Fuel And Power Purchase Cost Adjustment	<b>PPP</b>	Public Private Partnership
<b>GCV</b>	Gross Calorific Value	<b>ROCE</b>	Return on Capital Employed
<b>GIS</b>	Geographic Information Systems	<b>ROE</b>	Return on Equity
<b>GW</b>	Giga Watt	<b>SAIDI</b>	System Average Interruption Duration Index
<b>GWh</b>	Giga Watt Hour	<b>SAIFI</b>	System Average Interruption Frequency Index
<b>HT</b>	High Tension	<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>HVACC</b>	High Voltage Activate Calcium Channel	<b>TWh</b>	Tera Watt Hour
<b>HSD</b>	High Speed Diesel	<b>T&amp;D</b>	Transmission and Distribution
<b>IOTs</b>	Internet of Things	<b>V</b>	Volt
<b>kV</b>	Kilo Volt	<b>VA</b>	Volt Ampere
<b>KVA</b>	Kilo Volt Ampere	<b>W</b>	Watt
<b>KW</b>	Kilo Watt	<b>WACC</b>	Weighted Average Cost of Capital
<b>kWh</b>	Kilowatt Hour	<b>WBERC</b>	West Bengal Electricity Regulatory Commission
<b>LDO</b>	Light Diesel Oil	<b>Wh</b>	Watt Hour











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