D C Garg & Co.
Chartered Accountants

1/4969, Balbir Nagar Ext.
Shahdra, Delhi -110032

INDEPENDENT AUDITORS' REPORT

To
The Members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as NABINAGAR POWER GENERATING COMPANY PRIVATE LIMITED)

Report on the Audit of Standalone Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

D.C. GARG & CO. CHARTERED ACCOUNTANTS

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial 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 sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2** on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:

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

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

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

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

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

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

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

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note- 35 to the financial statements;

D.C. GARG & CO. CHARTERED ACCOUNTANTS

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

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

For D C GARG & CO.
Chartered Accountants
Firm Registration No. 500035N

Ca. Sandeep Garg
Partner
Membership No. 075312

D.C. GARG & CO. CHARTERED ACCOUNTANTS

Date: 16th May 2019
Place: New Delhi

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as NABINAGAR POWER GENERATING COMPANY PRIVATE LIMITED)on the accounts for the year ended 31stMarch, 2019)

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

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

(c) *As informed, all the title deeds of the land capitalized in the balance sheet are not available on records. Moreover certain area of land is owned only through registered agreements.*

2 As explained to us, the management has conducted the physical verification of inventory at reasonable intervals. No material discrepancies were noticed on such physical verification.

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

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

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

6. In our opinion and accordance to the information and explanation given to us, the Company has not yet commenced commercial generation of electricity. Thus maintenance of cost records under sub- section (1) of section 148 of the Companies Act,2013 is presently not applicable to the company.

7. (a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, GST, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and

D.C. GARG & CO. ★ CHARTERED ACCOUNTANTS ★

there are no undisputed dues outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

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

For D C GARG & CO.
Chartered Accountants
Firm Registration No. 500035N

D C GARG & CO CHARTERED ACCOUNTANTS

Ca. Sandeep Garg
Partner
Membership No. 075312

Date: 16th May 2019
Place: New Delhi

D C Garg & Co.
Chartered Accountants

1/4969, Balbir Nagar Ext.
Shahdra, Delhi -110032

ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as NABINAGAR POWER GENERATING COMPANY PRIVATE LIMITED)on the accounts for the year ended 31st March, 2019

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

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

Reply: According to information and explanations given to us, all the accounting transactions are process through IT system.

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

Reply: The terms and conditions of the date of repayment of loan from REC have been restructured however it is not due to the company's inability to repay the loan. The delay in COD of the project resulted in said restructuring.

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

Reply: According to information and explanations given to us, there are no cases of specific schemes from central/ state agencies etc.

For D C GARG & CO.
Chartered Accountants
Firm Registration No. 500035N

D.C. GARG & CO. CHARTERED ACCOUNTANTS

Ca. Sandeep Garg
Partner
Membership No. 075312

Date: 16th May 2019
Place: New Delhi

ANNEXURE-3 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as NABINAGAR POWER GENERATING COMPANY PRIVATE LIMITED) on the accounts for the year ended 31st March, 2019

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

We have audited the internal financial controls over financial reporting of NABINAGAR POWER GENERATING Company Limited (Formerly known as NABINAGAR POWER GENERATING COMPANY PRIVATE LIMITED) ("the Company") as of 31stMarch, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

D.C. GARG & CO. CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2019, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For D C GARG & CO.
Chartered Accountants
Firm Registration No. 500035N

D.C. GARG & CO. CHARTERED ACCOUNTANTS

Ca. Sandeep Garg
Partner
Membership No. 075312

Date: 16th May 2019
Place: New Delhi

G-21

प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा एवं पदेन् सदस्य, लेखा परीक्षा बोर्ड का कार्यालय, मेकन भवन, राँची - 834 002

OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD
MECON BUILDING, RANCHI-834 002

PH. - 2480343, 2480392, 2482212, 2482184
Fax No. - 0651-2480285

सं० मुख्यालय-I/वार्षिक लेखा/NPGCL/668/2018-19/ 138 दिनांक:05.07.2019

सेवा में,

अध्यक्ष
नबीनगर पॉवर जेनरेटिंग कम्पनी लिमिटेड
एन.टी.पी.सी. भवन, कोर-7, स्कोप कॉम्प्लेक्स
7, इस्टिट्यूसनल एरिया, लोधी रोड
नई दिल्ली-110003

विषय: 31 मार्च 2019 को समाप्त वर्ष के लिए नबीनगर पॉवर जेनरेटिंग कम्पनी लिमिटेड के वार्षिक वित्तीय विवरणी (Annual Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

इस पत्र के साथ नबीनगर पॉवर जेनरेटिंग कम्पनी .. लिमिटेड के वर्ष 31 मार्च 2019 को समाप्त वार्षिक वित्तीय विवरणी (Annual Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ संलग्न है।

इस पत्र की पावती की अभिस्वीकृति वांछित है।

भवदीय,

अनुलग्नक: यथोपरि

इन्दु अग्रवाल
(इन्दु अग्रवाल)
प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
रांची

4-22

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NABINAGAR POWER GENERATING COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Nabinagar Power Generating Company Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 May 2019.

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

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143(6)(b) of the Act.

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

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

Place: Ranchi
Date: 05 July 2019

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

BALANCE SHEET AS AT 31 MARCH 2019

₹ Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,19,644.98	1,05,895.61
Capital work-in-progress	3	13,01,295.99	11,33,275.73
Intangible assets	4	-	0.28
Financial assets	5	-	430.93
Other non-current assets	6	12,879.28	17,239.71
Total non-current assets		**14,33,820.25**	**12,56,842.26**
Current assets			
Financial assets			
Cash and cash equivalents	7	3,548.06	7,396.05
Bank balances other than cash and cash equivalents	8	1,865.75	2,218.87
Current tax assets	9	-	91.19
Other current assets	10	4,268.59	1,015.56
Total current assets		**9,682.40**	**10,721.67**
Regulatory deferral account debit balance	11	1,194.68	1,372.90
TOTAL ASSETS		**14,44,697.33**	**12,68,936.83**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	3,98,715.55	3,31,987.10
Other equity	13	4,238.08	24,351.98
Total equity		**4,02,953.63**	**3,56,339.08**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	9,17,500.00	7,62,020.41
Other financial liabilities	15	60,298.55	52,643.62
Total non-current liabilities		**9,77,798.55**	**8,14,664.03**
Current liabilities			
Financial liabilities			
Trade payables	16		
(A) total outstanding dues of micro enterprises and small enterprises		24.03	223.88
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		594.18	1,019.83
Other financial liabilities	17	53,154.10	88,698.31
Other current liabilities	18	510.99	526.58
Provisions	19	9,617.98	7,465.12
Current tax liabilities (net)	20	43.87	-
Total current liabilities		**63,945.15**	**97,933.72**
TOTAL EQUITY AND LIABILITIES		**14,44,697.33**	**12,68,936.83**
Significant accounting policies	1		

The accompanying notes 1 to 37 form an integral part of these financial statements.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)	(S.K. RATH)	(VIJAI SINGH)	(SUDHIR ARYA)	(A.K. GUPTA)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN

Place: New Delhi
Date : 16 May 2019

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

For D.C. Garg & Co.
Chartered Accountants
Firm Regn. No. 500035N

Sandeep Garg
Partner
Membership No.

Place: New Delhi
Date 16th May 2019

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Other income	21	259.36	-
Total revenue		**259.36**	-
Expenses			
Employee benefits expense	22	0.07	-
Finance costs	23	-	-
Depreciation and amortization expense	2 & 4	-	-
Other expenses	24	135.20	1,408.89
Total expenses		**135.27**	**1,408.89**
Profit/(Loss) before tax		**124.09**	**(1,408.89)**
Tax expense			
Current year		66.43	-
Earlier year		200.34	-
Total tax expense		**266.77**	-
Loss for the period before regulatory deferral account balances		**(142.68)**	**(1,408.89)**
Net movement in regulatory deferral account balances (net of tax)		(178.22)	1,398.79
Loss for the year		**(320.90)**	**(10.10)**
Other comprehensive income/(expense)		-	-
Total comprehensive income/(expense) for the year		**(320.90)**	**(10.10)**
Earnings per equity share (Par value ₹ 10/- each)	29		
From operations including regulatory deferral account balances			
Basic earning per share (₹)		(0.01)	(0.00)
Diluted earning per share (₹)		(0.00)	(0.00)
From operations excluding regulatory deferral account balances			
Basic earning per share (₹)		(0.00)	(0.05)
Diluted earning per share (₹)		(0.00)	(0.05)
Significant accounting policies	1		

The accompanying notes 1 to 37 form an integral part of these financial statements.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR) COMPANY SECRETARY	(S.K. RATH) CFO	(VIJAI SINGH) CEO	(SUDHIR ARYA) DIRECTOR	(A.K. GUPTA) CHAIRMAN

Place: New Delhi
Date : 16 May 2019

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

For D.C. Garg & Co.
Chartered Accountants
Firm Regn. No. 500035N

Sandeep Garg
Partner
Membership No.: 075312

Place: New Delhi
Date 16th May 2019

NABINAGAR POWER GENERATING COMPANY LIMITED
(Formerly known as Nabinagar Power Generating Company Private Limited)
Regd. Office : NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
Profit before tax	124.09	(1,408.89)
Net movements in regulatory deferral account balances (net of tax)	(178.22)	1,398.79
	(54.13)	**(10.10)**
Adjustment for		
Depreciation and amortization expense	704.77	447.49
Finance costs	81,178.18	74,777.36
Unwinding of discount on vendor liabilities	-	2,084.28
Provision written back	(81.14)	-
Provision created during the year	17.91	81.14
Regulatory deferral account debit balance	178.22	(1,398.79)
Operating loss before working capital changes	**81,943.81**	**75,981.38**
Adjustment for -		
Trade payables	(625.50)	712.01
Other financial liabilities	1,016.77	732.30
Other current liabilities	6.53	(128.51)
Provisions	2,216.09	1,226.03
Non current financial assets	430.93	(430.93)
Bank balances other than cash and cash equivalents	353.12	2,523.93
Other current assets	(3,253.03)	(718.52)
Cash generated from operations	**82,088.72**	**79,897.69**
Income taxes paid / (refund)	161.91	(70.12)
Net cash outflow from operating activities- A	**81,926.81**	**79,967.81**
B Cash flow from investment activities		
Purchase of property plant and equipment and CWIP	(1,77,808.39)	(2,29,411.38)
Proceeds from sale of property plant and equipment	-	0.09
Net cash outflow from investing activities- B	**(1,77,808.39)**	**(2,29,411.29)**
C Cash flow from financing activities		
Proceeds from issue of shares	66,728.45	94,127.10
Proceeds from share Application Money	(19,793.00)	(13,074.00)
Proceeds from non current borrowings	1,26,229.59	1,04,120.41
Interest paid	(81,131.45)	(74,777.36)
Net cash inflow from financing activities- C	**92,033.59**	**1,10,396.15**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(3,847.99)	(39,047.33)
Cash and Cash equivalents at the beginning of the year	7,396.05	46,443.38
Cash and Cash equivalents at the end of the year	**3,548.06**	**7,396.05**

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

b) **Reconciliation of cash and cash equivalents**

Cash and cash equivalent as per Note-7	3,548.06	7,396.05

c) Refer Note no. 27 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

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Nabinagar Power Generating Company Limited
Notes to the statement of cash flows

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

₹ Lakhs

Particulars	Non-current borrowings	Interest on borrowings
For the year ended 31 March 2019		
Balance as at 1 April 2018	7,91,270.41	-
Loan drawals (in cash) /interest accrued during the year	1,26,229.59	81,178.18
Loan repayments/interest payment during the year (in cash)	-	81,131.45
Balance as at 31 March 2019	**9,17,500.00**	**46.73**
For the year ended 31 March 2018		
Particulars	6,87,150.00	-
Loan drawals (in cash) /interest accrued during the year	1,04,120.41	69,273.50
Loan repayments/interest payment during the year (in cash)	-	69,273.50
Balance as at 31 March 2018	**7,91,270.41**	-

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

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)
COMPANY SECRETARY
Place: New Delhi
Date : 16 May 2019

(S.K. RATH)
CFO

(VIJAI SINGH)
CEO

(SUDHIR ARYA)
DIRECTOR

(A.K. GUPTA)
CHAIRMAN

For D.C. Garg & Co.
Chartered Accountants
Firm Regn. No. 500035N

Sandeep Garg
Partner
Membership No. 075312

Place: New Delhi
Date : 16th May 2019

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(A) Equity share capital

For the year ended 31 March 2019	₹ Lakhs
Balance as at 1 April 2018	3,31,987.10
Changes in equity share capital during the year	66,728.45
Balance as at 31 March 2019	**3,98,715.55**

For the year ended 31 March 2018	₹ Lakhs
Balance as at 1 April 2017	2,37,860.00
Changes in equity share capital during the year	94,127.10
Balance as at 31 March 2018	**3,31,987.10**

(B) Other equity

For the year ended 31 March 2019 ₹ Lakhs

Particulars	Reserves & Surplus		Total
	Retained Earnings	Share Application Money Pending Allotment	
As at 1 April 2018	**4,558.98**	**19,793.00**	**24,351.98**
Add: Profit/(Loss) for the year	(320.90)	-	(320.90)
Add: Other comprehensive income	-	-	-
Add: Share application money received	-	46,935.45	46,935.45
Less: Shares allotted against share application money	-	66,728.45	66,728.45
Balance as at 31 March 2019	**4,238.08**	-	**4,238.08**

For the year ended 31 March 2018 ₹ Lakhs

Particulars	Reserves & Surplus		Total
	Retained Earnings	Share Application Money Pending Allotment	
As at 1 April 2017	**4,569.08**	**32,867.00**	**37,436.08**
Add: Profit/(Loss) for the year	(10.10)	-	(10.10)
Add: Other comprehensive income	-	-	-
Add: Share application money received	-	81,053.10	81,053.10
Less: Shares allotted against share application money	-	94,127.10	94,127.10
Balance as at 31 March 2018	**4,558.98**	**19,793.00**	**24,351.98**

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR) COMPANY SECRETARY | (S.K. RATH) CFO | (VIJAY SINGH) CEO | (SUDHIR ARYA) DIRECTOR | (A.K. GUPTA) CHAIRMAN

Place: New Delhi
Date : 16 May 2019

For D.C. Garg & Co.
Chartered Accountants
Firm Regn . No. 000037N

Sandeep Garg
Partner
Membership No. : 075312

Place: New Delhi
Date : 16th May 2019

Nabinagar Power Generating Company Limited
Notes to the financial statements

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

Nabinagar Power Generating Company Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40104DL2008PLC183024). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110003. During the year, the Company has changed its name from Nabinagar Power Generating Company Private Limited to Nabinagar Power Generating Company Limited. The Company is constructing power plant of 1980 MW capacity for generation and sale of bulk power to State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on 16 May 2019.

2. Basis of measurement

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

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

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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All other liabilities are classified as non-current.

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

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

1.2. Subsequent costs

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

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

CHARTERED ACCOUNTANTS

1.3. Decommissioning costs

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

1.4. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

1.5. Depreciation/amortization

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

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices of the Company, covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the CERC Tariff Regulations.

Depreciation on the following assets is provided on their estimated useful life, which are different from the useful life as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation:

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

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

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

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

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE

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along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

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

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

2. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

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

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

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

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

3.2. Subsequent costs:

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

3.3. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains & losses on de-recognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any, with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4. Amortization

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

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

4. Regulatory deferral account balances

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

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

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

5. Borrowing costs

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

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

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

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

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

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

6. Cash and cash equivalents

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

7. Provisions, contingent liabilities and contingent assets

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

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

When some or all of the economic benefits required to settle a provision are expected to be

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

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

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

8. Foreign currency transactions and translation

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

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

Non-monetary items are measured in terms of historical cost in a foreign currency and translated using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

9. Other income

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

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

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

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

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

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

10. Employee benefits

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

11. Other expenses

Expenses on training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

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

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

12. Income tax

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

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

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

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

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

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

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

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13. Leases

13.1. As lessee

Accounting for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

14. Impairment of non-financial assets

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

15. Material prior period errors

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

16. Earnings per share

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

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

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

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17. Statement of cash flows

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

18. Financial instruments

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

18.1. Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

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

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

Debt instrument at FVTOCI (Fair value through OCI)

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

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b) The asset's contractual cash flows represent SPPI

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

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

18.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings and trade and other payables and vendor liabilities.

Subsequent measurement

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

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading

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

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

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

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

18.3. Offsetting of financial assets and financial liabilities

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

D. Use of estimates and management judgments

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

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

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

1. Formulation of accounting policies

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

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

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

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

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

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

4. Regulatory deferral account balances

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

5. Provisions and contingencies

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

6. Impairment test of non-financial assets

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

7. Income taxes

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

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2 Property, plant & equipment

As at 31 March 2019 — ₹ Lakhs

Particulars	Gross block				Accumulated depreciation				Net Block
	As at 01 April 2018	Additions	Deduction/ Adjustment	As at 31 March 2019	Upto 01 April 2018	For the year	Deduction/ Adjustment	Upto 31 March 2019	As at 31 March 2019
Freehold land	99,206.44	1,010.89	-	**1,00,217.33**	-	-	-	-	**1,00,217.33**
Temporary erection	555.36	274.46	26.89	**802.93**	205.86	147.93	2.18	**351.61**	**451.32**
Furniture and fixtures	288.88	466.11	(218.58)	**973.57**	40.37	53.26	(13.88)	**107.51**	**866.06**
Vehicles	16.52	-	-	**16.52**	2.77	1.65	-	**4.42**	**12.10**
Office equipment	261.99	83.01	22.74	**322.26**	66.32	33.22	3.91	**95.63**	**226.63**
EDP, WP machines and satcom equipment	244.34	73.18	(3.46)	**320.98**	101.76	60.17	(3.13)	**165.06**	**155.92**
Electrical installations	1,710.66	41.90	446.26	**1,306.30**	255.48	67.11	63.82	**258.77**	**1,047.53**
Communication equipment's	18.32	-	3.36	**14.96**	10.28	1.20	3.03	**8.45**	**6.51**
Roads	223.54	-	-	**223.54**	7.47	7.47	-	**14.94**	**208.60**
Building	3,762.74	9,672.66	(26.90)	**13,462.30**	125.62	224.25	(2.19)	**352.06**	**13,110.24**
Water supply, drainage & sewerage system	0.39	-	-	**0.39**	0.02	0.02	-	**0.04**	**0.35**
Construction equipments	430.85	156.23	-	**587.08**	8.47	56.87	-	**65.34**	**521.74**
Plant and equipment	-	2,614.60	(250.21)	**2,864.81**	-	50.63	(53.74)	**104.37**	**2,760.44**
Hospital equipments	-	10.78	-	**10.78**	-	0.49	-	**0.49**	**10.29**
Laboratory and workshop equipment	-	50.14	-	**50.14**	-	0.22	-	**0.22**	**49.92**
Total	**1,06,720.03**	**14,453.96**	**0.10**	**1,21,173.89**	**824.42**	**704.49**	**-**	**1,528.91**	**1,19,644.98**

As at 31 March 2018 — ₹ Lakhs

Particulars	Gross block				Accumulated depreciation				Net Block
	As at 01 April 2017	Additions	Deductions	As at 31 March 2018	Upto 01 April 2017	For the year	Deductions	Upto 31 March 2018	As at 31 March 2018
Freehold land	96,541.23	2,665.21	-	**99,206.44**	-	-	-	-	**99,206.44**
Temporary erection	251.53	303.83	-	**555.36**	100.10	105.76	-	**205.86**	**349.50**
Furniture and fixtures	90.13	198.75	-	**288.88**	11.61	28.76	-	**40.37**	**248.51**
Vehicles	16.52	-	-	**16.52**	1.43	1.34	-	**2.77**	**13.75**
Office equipment	197.23	64.76	-	**261.99**	38.25	28.07	-	**66.32**	**195.67**
EDP, WP machines and satcom equipment	151.11	93.54	0.31	**244.34**	55.91	46.11	0.26	**101.76**	**142.58**
Electrical installations	1,418.71	291.95	-	**1,710.66**	163.19	92.29	-	**255.48**	**1,455.18**
Communication equipment's	18.32	-	-	**18.32**	8.44	1.84	-	**10.28**	**8.04**
Roads	-	223.54	-	**223.54**	-	7.47	-	**7.47**	**216.07**
Building-Other	-	3,762.74	-	**3,762.74**	-	125.62	-	**125.62**	**3,637.12**
Water supply, drainage & sewerage system	-	0.39	-	**0.39**	-	0.02	-	**0.02**	**0.37**
Construction equipments	-	430.85	-	**430.85**	-	8.47	-	**8.47**	**422.38**
Total	**98,684.78**	**8,035.56**	**0.31**	**1,06,720.03**	**378.93**	**445.75**	**0.26**	**824.42**	**1,05,895.61**

a) The conveyancing of title of 233.36 acres of freehold land of value₹ 7,608.54 Lakhs (31 March 2018: 391.07 acres of value ₹ 12,748.93 Lakhs) in favour of the Company are awaiting completion of legal formalities.
b) Refer Note 14 for information on property, plant and equipment pledged as security by the company.
c) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2019 is₹ 1,20,237.47 Lakhs (31 March 2018: ₹ 2,13,831.97 lakhs).

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Notes to the financial statements

3 Capital work-in-progress (CWIP)

As at 31 March 2019 ₹ Lakhs

Particulars	As at 01 April 2018	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2019
Development of land	14,826.51	1,589.34	1,013.22	-	**15,402.63**
Buildings	23,408.54	14,229.58	5,868.15	9,672.66	**22,097.31**
Temporary erection	848.10	(608.60)	(855.30)	-	**1,094.80**
Water supply, drainage and sewerage system	395.99	(330.70)	(430.79)	-	**496.08**
Plant and equipment	10,41,526.79	1,46,715.65	(12,354.91)	-	**12,00,597.35**
EDP/WP machines & satcom equipment	39.14	2.87	-	-	**42.01**
Electrical installations	10,889.32	1,686.63	1,083.37	-	**11,492.58**
Control & Instrumentation Equipment's	6,128.32	489.07	6,617.39	-	-
Roads, bridges, culverts & helipads	-	175.78	(1,013.22)	-	**1,189.00**
AC Ventilation and Fire Fighting System	71.94	0.15	72.09	-	-
Railway sidings	7,017.76	4,599.88	-	-	**11,617.64**
Communication equipments	-	67.69	-	-	**67.69**
Furniture and fixtures	-	247.94	-	247.50	**0.44**
	11,05,152.41	1,68,865.28	-	9,920.16	**12,64,097.53**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	16,644.60	536.75	-	-	**17,181.35**
Pre-commissioning expenses (net)	-	8,677.35	-	-	**8,677.35**
Expenditure during construction period (net)*	-	1,00,900.20	-	-	**1,00,900.20**
Less: Allocated to related works	-	1,00,900.20	-	-	**1,00,900.20**
	11,21,797.01	1,78,079.38	-	9,920.16	**12,89,956.23**
Construction stores	11,478.72	(138.96)	-	-	**11,339.76**
Total	**11,33,275.73**	**1,77,940.42**	-	**9,920.16**	**13,01,295.99**

As at 31 March 2018 ₹ Lakhs

Particulars	As at 01 April 2017	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2018
Development of land	12,048.13	2,776.64	-	(1.74)	**14,826.51**
Buildings- Main plant	10,964.02	16,872.18	-	4,427.66	**23,408.54**
Temporary erection	751.23	151.10	-	54.23	**848.10**
Water supply, drainage and sewerage system	14.04	381.95	-	-	**395.99**
Plant and equipment	8,24,257.97	2,17,268.82	-	-	**10,41,526.79**
EDP/WP machines & satcom equipment	32.98	6.16	-	-	**39.14**
Electrical installations	12,031.36	(1,109.85)	-	32.19	**10,889.32**
Control & Instrumentation Equipment's	4,511.10	1,617.22	-	-	**6,128.32**
AC Ventilation and Fire Fighting System	55.12	16.82	-	-	**71.94**
Railway sidings	-	7,017.76	-	-	**7,017.76**
	8,64,665.95	2,44,998.80	-	4,512.34	**11,05,152.41**
Expenditure pending allocation			-	-	
Survey, investigation, consultancy and supervision charges	14,337.54	2,307.06	-	-	**16,644.60**
Expenditure during construction period (net)*	-	87,195.27	-	-	**87,195.27**
Less: Allocated to related works	-	87,195.27	-	-	**87,195.27**
	8,79,003.49	2,47,305.86	-	4,512.34	**11,21,797.01**
					-
Construction stores	25,228.27	(13,749.55)	-	-	**11,478.72**
Total	**9,04,231.76**	**2,33,556.31**	-	**4,512.34**	**11,33,275.73**

* Brought from expenditure during construction period (net) - Note 25

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

₹ Lakhs

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Exchange difference	Borrowing costs	Exchange difference	Borrowing costs
Buildings	-	1,913.38	-	1,312.71
Temporary Erections	-	70.20	-	61.39
Water supply, drainage and sewerage system	-	31.83	-	15.82
Plant and equipment	235.91	77,586.89	957.55	71,817.26
EDP, WP machines and satcom equipment	-	2.68	-	2.78
Electrical Installation	-	742.12	-	882.10
Control & Instrumentation Equipment's	-	-	-	409.61
AC Ventilation and Fire Fighting System	-	-	-	4.89
Railway siding	-	749.95	-	270.80
Communication equipment	-	4.46	-	-
Roads, bridges, culverts & helipads	-	76.67	-	-
Total	**235.91**	**81,178.18**	**957.55**	**74,777.36**

4 Intangible assets

As at 31 March 2019

₹ Lakhs

Particulars	Gross block				Accumulated amortization				Net Block
	As at 01 April 2018	Additions	Deductions	As at 31 March 2019	Upto 01 April 2018	For the year	Deductions	Upto 31 March 2019	As at 31 March 2019
Software	5.38	-	-	**5.38**	5.10	0.28	-	**5.38**	-
Total	**5.38**	-	-	**5.38**	**5.10**	**0.28**	-	**5.38**	-

As at 31 March 2018

₹ Lakhs

Particulars	Gross Block				Accumulated amortization				Net Block
	As at 01 April 2017	Additions	Deductions/ Adjustments	As at 31 March 2018	Upto 01 April 2017	For the year	Deductions/ Adjustments	Upto 31 March 2018	As at 31 March 2018
Software	5.38	-	-	**5.38**	3.36	1.74	-	**5.10**	**0.28**
Total	**5.38**	-	-	**5.38**	**3.36**	**1.74**	-	**5.10**	**0.28**

a) **Depreciation/amortization of property, plant and equipment and intangible assets for the year is allocated as given below:**

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Transferred to expenditure during construction period (net) - Note 25	704.77	447.49
Total	704.77	447.49

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5 Financial assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Bank deposits maturing after one year (including interest accrued)	-	430.93
Total	-	430.93

a) Deposits includes interest accrued of ₹ Nil (31 March 2018: ₹ 2.69 lakhs).

6 Other non-current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Capital advances		
(Unsecured, considered good)		
Covered by bank guarantee	5,601.83	6,953.52
Others	6,273.63	4,049.35
	11,875.46	**11,002.87**
Advances other than capital advances		
Security deposit	973.62	6,236.84
Advance tax & tax deducted at source	30.20	-
Total	**12,879.28**	**17,239.71**

7 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
Current accounts	3,547.31	7,396.05
Deposits with original maturity upto three months (including interest accrued)	0.75	-
Total	**3,548.06**	**7,396.05**

a) Deposits with original maturity upto three months includes interest accrued of ₹ 0.04 Lakhs (31 March 2018: ₹ Nil).

8 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	388.67	141.60
Earmarked balances with banks (including interest accrued)	1,477.08	2,077.27
Total	**1,865.75**	**2,218.87**

a) Earmarked balances with banks consist of margin money against letter of credit/ bank guarantee maturitng within twelve months. It includes interest accrued of ₹ 22.20 Lakhs (31 March 2018: ₹ 14.71 Lakhs).

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9 Current tax assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Advance tax and tax deducted at source	-	91.19
Total	**-**	**91.19**

10 Other current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Advance to contractors and suppliers		
Secured	-	-
Unsecured, considered good (covered by bank guarantee)	296.62	174.18
Advance to employees		
Unsecured, considered good	2.61	4.07
Recoverable from related party (unsecured, considered good)	398.60	-
Claims recoverable (unsecured, considered good)	2,295.67	12.56
Interest accrued on advance to contractors and suppliers	74.42	29.92
Other recoverable	1,200.67	794.83
Total	**4,268.59**	**1,015.56**

a) Other recoverable includes material issued on loan.

b) Refer note no. 28 for amounts recoverable from related party.

c) In the previous year figures, an amount of ₹ 173.09 Lakhs has been regrouped from Advances - Contractors and suppliers - secured to Advances - Contractors and suppliers - unsecured, since advances covered by bank guarantee are considered unsecured and good to enhance comparability with the current year's financial statements.

11 Regulatory deferral account debit balance

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
On account of exchange differences	1,194.68	1,372.90
Total	**1,194.68**	**1,372.90**

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer note 31 for detailed disclosures.

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12 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity share capital				
Authorised				
Shares of par value ₹10 each	4,60,00,00,000	4,60,000.00	4,60,00,00,000	4,60,000.00
Issued, subscribed and fully paid up				
Shares of par value ₹10 each	3,98,71,55,500	3,98,715.55	3,31,98,71,000	3,31,987.10

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

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Opening balance	3,31,98,71,000	3,31,987.10	2,37,86,00,000	2,37,860.00
Shares issued during the year	66,72,84,500	66,728.45	94,12,71,000	94,127.10
Closing balance	3,98,71,55,500	3,98,715.55	3,31,98,71,000	3,31,987.10

b) **Terms and rights attached to equity shares:** The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Ltd.	3,98,71,55,500	100.00	1,65,99,35,500	50.00
BSPGCL*	-		1,65,99,35,500	50.00

*'Bihar State Power Generation Company Limited (BSPGCL) (erstwhile B.S.E.B)

During the year, subsequent to acquisition of entire share of Bihar State Power Generating Power Company Limited (BSPGCL) in equity by NTPC limited on 29 June 2018, the company has become a wholly owned subsidiary of NTPC Limited.

13 Other equity

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Share application money pending allotment	-	19,793.00
Retained earnings	4,238.08	4,558.98
Total	4,238.08	24,351.98

a) **Share application money pending allotment**

₹ Lakhs

Share application money pending allotment has been received from	As at 31 March 2019	As at 31 March 2018
NTPC Ltd.	-	19,793.00
BSPGCL	-	-
Total	-	19,793.00

₹ Lakhs

Reconciliation of share application money pending allotment	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	19,793.00	32,867.00
Add: Share application money received during the year	46,935.45	81,053.10
Less: Shares allotted during the year	66,728.45	94,127.10
Closing balance	-	19,793.00

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₹ Lakhs

b) **Reconciliation of retained earnings**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	4,558.98	4,569.08
Add: Profit/ (Loss) for the year from Statement of Profit and Loss	(320.90)	(10.10)
Closing balance	**4,238.08**	**4,558.98**

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14 Borrowings

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Secured term loan		
From bank		
Term loan from Canara Bank	40,046.73	-
From others		
Rupee loan from Rural Electrification Corporation Limited (REC)	8,77,500.00	7,91,270.41
	9,17,546.73	**7,91,270.41**
Less: Current maturities of borrowings	-	29,250.00
Less: Interest accrued but not due on borrowings	46.73	-
Total	**9,17,500.00**	**7,62,020.41**

a) The term loan from Canara Bank (sanctioned limit ₹ 80,000.00 Lakhs) is secured by a first pari passu charge on land and building and plant and machinery of the company created out of term loan and margin. Also, there is a continuing first charge on current assets of the company. The term loan is repayable in 57 equal quaterly instalments of ₹ 1,380.00 Lakhs and 58th installment of ₹ 1,340.00 Lakhs. Repayment shall commence after six months of COD of third unit. The term loan bears interest rate equal to Canara Bank's one year MCLR (presently 8.65% p.a.) plus annual reset.

b) The term loan from REC is secured by a pari passu charge on all assets of the project, present and future, movable and immovable through a deed of hypothecation and simple mortgage of 2500 acres of land of the company. It is repayable over 15 years commencing from 31 December, 2018 which has been extended upto 30 June 2020 vide letter dated 21 June 2018, quarterly for first two instalments and thereafter every two months. The rate of interest is linked to the prevalent rate notified by the lender for category 'A' public sector undertakings from time to time. If this rate exceeds 9.70% p.a., there is rebate of 170 basis points subject to a minimum rate of 9.70% p.a.

c) The creation of charge against loan sanctioned by Canara Bank is under process. Similarly, certain charge modification formality is under process against rupee term loan from REC.

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

15 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	60,298.55	52,643.62
Total	**60,298.55**	**52,643.62**

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

b) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 27.

16 Trade payables

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
For goods and services		
Total outstanding dues of micro and small enterprises	24.03	223.88
Total outstanding dues of creditors other than micro and small enterprises	594.18	1,019.83
Total	**618.21**	**1,243.71**

a) Refer note no. 28 for amounts due to related party.

b) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 27.

c) Detailed disclosure for information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is given in note 34.

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17 Other current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of non-current borrowings	-	29,250.00
Interest accrued but not due on borrowings	46.73	-
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	50,846.80	58,204.51
Other payables		
Deposits from contractors and others	113.12	-
NTPC Limited	540.56	709.25
Payable to employees	1,346.38	444.23
Others	260.51	90.32
Total	**53,154.10**	**88,698.31**

a) Details in respect of interest rate and repayment terms of current maturities of term loan indicated above are disclosed in note 14.

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

18 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory dues	399.54	393.01
Other Payables	111.45	133.57
Total	**510.99**	**526.58**

a) Other payables includes material received on loan.

19 Provisions

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for obligations incidental on land acquisition	7,815.67	7,383.98
Provision for shortages in construction stores	17.91	81.14
Provision for arbitration cases	1,784.40	-
Total	**9,617.98**	**7,465.12**

a) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in note 35.

20 Current tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for tax	66.43	-
Less: Advance tax & tax deducted at source	22.56	-
Total	**43.87**	-

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21 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest from		
Financial assets measured at amortised cost		
Deposits with banks	230.74	652.90
Advance to contractors	214.83	86.71
Income tax refunds	0.11	23.91
Other non-operating income		
Sale of scrap	274.54	176.81
Net gain in foreign currency transactions & translations	178.22	-
Profit on disposal of property, plant and equipment	-	0.04
Provision for shortage in construction stores written back	81.14	-
Miscellaneous income (refer note below)	55.13	52.96
	1,034.71	**993.33**
Less: Transferred to expenditure during construction period (net) - Note 25	775.35	993.33
Total	**259.36**	-

a) Miscellaneous income includes recoveries from employees/contractors, sale of tender documents, guest houe rent, stale cheques reversed etc.

22 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	6,132.43	3,723.58
Contribution to provident and other funds	1,078.13	703.22
Staff welfare expenses	813.11	410.03
	8,023.67	**4,836.83**
Less: Transferred to expenditure during construction period (net) - Note 25	8,023.60	4,836.83
Total	**0.07**	-

a) In accordance with the accounting policy no. 11, an amount of ₹ 812.54 lakhs (31 March 2018: ₹ 703.22 lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 304.30 Lakhs (31 March 2018: ₹ 411.45 Lakhs) towards leave & other benefits, are paid /payable to the parent company and included in 'Employee Benefits'.

b) The pay revision of the employees of NTPC Ltd posted on secondment basis to the company was due with effect from 1 January 2017. A provision of ₹ Nil (31 March 2018: ₹ 740.62 lakhs) towards pay revision has been transferred from NTPC Limited and recognised as an expenses.

23 Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	81,178.18	69,273.50
Unwinding of discount on vendor liabilities	-	5,503.86
	81,178.18	**74,777.36**
Less: Transferred to expenditure during construction period (net) - Note 25	81,178.18	74,777.36
Total	-	-

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24 Other expenses

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Power charges	5,282.85	4,006.61
Less: Recovered from contractors & employees	7.32	
	5,275.53	**4,006.61**
Rent	-	7.74
Repairs and maintenance		
Buildings	125.33	150.24
Others	1,430.58	134.44
Brokerage and commission	11.65	-
Insurance	3.66	7.48
Rates and taxes	1.23	8.65
Training and recruitment expenses	113.38	7.23
Communication expenses	118.84	71.78
Travelling expenses	432.23	274.14
Tender expenses (net of receipt from sale of tenders)	-	12.76
Payment to auditors	2.49	2.87
Advertisement and publicity	58.75	26.71
Security expenses	2,240.17	1,869.39
Entertainment expenses	117.65	81.35
Expenses for guest house (net of recoveries)	-	7.37
Books and periodicals	1.04	1.56
Professional charges and consultancy fee	1,084.44	774.04
Legal expenses	31.86	31.46
EDP hire and other charges	4.12	-
Postage and courier charges	0.96	0.68
Printing and stationery	80.74	23.57
Hiring of vehicles	374.06	338.84
Hire charges of construction equipment's	150.78	108.11
DG set operating expenses	13.97	40.48
Bank charges	50.14	49.92
Net loss in foreign currency transactions & translations	-	1,398.79
Provision for shortages in construction stores	17.91	81.14
Miscellaneous expenses	162.69	18.46
	11,904.20	**9,535.81**
Less: Transferred to expenditure during construction period (net) - Note 25	11,769.00	8,126.92
	135.20	**1,408.89**

a) Miscellaneous expenses includes horticulture expenses and other miscellaneous expenses.

b) Details in respect of payment to auditors:

Audit fee	2.00	1.80
Reimbursement of expenses	0.13	0.75
Reimbursement of GST / service tax	0.36	0.32
Total	**2.49**	**2.87**

D.C. GARG & CO. CHARTERED ACCOUNTANTS

Nabinagar Power Generating Company Limited
Notes to the financial statements

25 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Employee benefits expense		
Salaries and wages	6,132.36	3,723.58
Contribution to provident and other funds	1,078.13	703.22
Staff welfare expenses	813.11	410.03
Total (A)	**8,023.60**	**4,836.83**
B. Finance costs		
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	81,178.18	69,273.50
Unwinding of discount on payable for capital expenditure	-	5,503.86
Total (B)	**81,178.18**	**74,777.36**
C. Depreciation and amortization	**704.77**	**447.49**
D. Other expenses		
Power charges	5,275.53	4,006.61
Rent	-	7.74
Repairs and maintenance		
Buildings	125.33	150.24
Others	1,430.58	134.44
Brokerage and commission	11.65	-
Insurance	3.66	7.48
Rates and taxes	1.23	8.65
Communication expenses	118.84	71.78
Travelling expenses	432.23	274.14
Tender expenses (net of receipt from sale of tenders)	-	12.76
Advertisement and publicity	58.75	26.71
Security expenses	2,240.17	1,869.39
Entertainment expenses	117.65	81.35
Expenses for guest house (net of recoveries)	-	7.37
Books and periodicals	1.04	1.56
Professional charges and consultancy fee	1,083.02	774.04
Legal expenses	31.86	31.46
EDP hire and other charges	4.12	
Postage and courier charges	0.96	0.68
Printing and stationery	80.74	23.57
Hiring of vehicles	374.06	338.84
Hire charges of construction equipment's	150.78	108.11
DG set operating expenses	13.97	40.48
Bank charges	50.14	49.92
Provision for shortages in construction stores	-	81.14
Miscellaneous expenses	162.69	18.46
Total (D)	**11,769.00**	**8,126.92**
E. Less: Other income		
Interest from financial assets measured at amortised cost		
Indian banks	230.74	652.90
Contractors	214.83	86.71
Interest on income tax refunds	0.11	23.91
Profit on disposal of property, plant and equipment	-	0.04
Sale of scraps	274.54	176.81
Miscellaneous income (refer note below)	55.13	52.96
Total (E)	**775.35**	**993.33**
Grand total (A+B+C+D-E)	**1,00,900.20** *	**87,195.27** *

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

D.C. GARG & CO. CHARTERED ACCOUNTANTS

26 Fair value measurements

a) Financial instruments by category

All financial assets and liabilities viz. cash and cash equivalents, other bank balances, claims recoverable, trade payables, payable for capital expenditure, employee related liabilities, payable to NTPC Limited and other payables are measured at amortized cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized cost but for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classifies its financial instruments into three levels prescribed under the Indi AS. An explanation of relevant level follows underneath the table.

Financial instruments which are measured at amortized cost for which fair values are disclosed	Level 3*	
	As at 31 March 2019	As at 31 March 2018
Financial liabilities:		
Rupee term loan	9,33,651.18	7,67,046.00
Payable for capital expenditure	54,679.20	57,751.98
Total	**9,88,330.38**	**8,24,797.98**

*Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

c) Fair value of financial liabilities measured at amortized cost

₹ Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Carrying value	Fair value	Carrying value	Fair value
Rupee term loans	9,17,546.73	9,33,651.18	7,91,270.41	7,67,046.00
Payable for capital expenditure	60,298.55	54,679.20	62,364.09	57,751.98
Total	**9,77,845.28**	**9,88,330.38**	**8,53,634.50**	**8,24,797.98**

The carrying amounts of short term trade payables, payable for capital expenditure, employee related liabilities, payable to NTPC Limited, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The fair values for Rupee term loans and payable for capital expenditure were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

27 Financial risk management

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

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

- Market risk
- Credit risk
- Liquidity risk

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

Risk management framework

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

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

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

a) Market risk

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

The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company. At present, any gain or loss on account of exchange risk variation shall form part of the capital cost from declaration of COD and shall be considered for calculation of tariff.

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27 Financial risk management (continued)

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. However, as per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost from declaration of COD to be considered for calculation of tariff. Therefore, the company is not exposed to currency risk until COD.

The currency profile of financial liabilities on reporting date is as below:

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Payable for capital expenditure		
USD	7,616.92	8,727.74
EURO	12,781.31	16,313.00
GBP	860.80	1,220.02
Total	**21,259.03**	**26,260.76**

Sensitivity analysis

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

₹ Lakhs

10% movement	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
Payable for capital expenditure				
USD	761.69	(761.69)	872.77	(872.77)
EURO	1,278.13	(1,278.13)	1,631.30	(1,631.30)
GBP	86.08	(86.08)	122.00	(122.00)
Total	**2,125.90**	**(2,125.90)**	**2,626.08**	**(2,626.08)**

Interest rate risk

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

Refer Note 14 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

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

₹ Lakhs

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Change of 100 basis points in interest rate				
Rupee term loans	(8,368.88)	8,368.88	(7,141.60)	7,141.60

b) Credit risk

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

Cash and cash equivalents and Deposits with banks

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

(i) Exposure to credit risk

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

₹ Lakhs

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalent	3,548.06	7,396.05
Other bank balances	1,865.75	2,218.87
Bank deposits with more than twelve months maturity	-	430.93
Total	**5,413.81**	**10,045.85**

(ii) Provision for expected credit losses

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

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

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27 Financial risk management (continued)

c) Liquidity risk

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

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

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

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

(i) Financing arrangements

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Floating-rate borrowings		
Term loans	40,000.00	86,229.59
Working capital limit	18,634.00	-

(ii) Maturities of financial liabilities

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

As at 31 March 2019 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from REC	-	-	-	1,75,500.00	7,02,000.00	8,77,500.00
Rupee term loan from Canara bank	-	-	-	16,560.00	23,486.73	40,046.73
Trade Payables	618.21	-	-	-	-	618.21
Other financial liabilities						
Payable for Capital Expenditure	1,11,145.35				-	1,11,145.35
Deposits from contractors and others	113.12	-	-	-	-	113.12
Payable to related parties	540.56	-	-	-	-	540.56
Payable to employees	1,346.38	-	-	-	-	1,346.38
Others	260.51	-	-	-	-	260.51
Total	**1,14,024.13**	-	-	**1,92,060.00**	**7,25,486.73**	**10,31,570.86**

As at 31 March 2018 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from REC	-	29,250.00	87,750.00	2,63,250.00	4,11,020.41	7,91,270.41
Trade Payables	1,243.71	-	-	-	-	1,243.71
Other financial liabilities						
Payable for Capital Expenditure	48,484.04	9,720.47	42,122.01	12,960.62	-	1,13,287.14
Payable to related parties	709.25	-	-	-	-	709.25
Payable to employees	444.23	-	-	-	-	444.23
Others	90.32	-	-	-	-	90.32
Total	**50,971.55**	**38,970.47**	**1,29,872.01**	**2,76,210.62**	**4,11,020.41**	**9,07,045.06**

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28 Related party disclosures

a) List of related parties:

(i) Parent Company:
NTPC Limited (wef 29 June 2018)

(ii) Jointly Controlled by Government Entities:
NTPC Limited (upto 28 June 2018)
Bihar State Power Generation Company Limited (BSPGCL) (erstwhile B.S.E.B) (upto 28 June 2018)

(iii) Joint Ventures of Promoters Company (NTPC Limited):
Utility Powertech Limited

(iv) Key managerial personnel (KMP):

Shri A. K. Gupta (w.e.f. 13.11.2017)	Chairman
Shri Subhash Chandra Pandey (upto 31.08.2017)	Chairman
Shri Sudhir Arya	Non-Executive Director
Smt Sangeeta Bhatia (wef 06.08.2018)	Non-Executive Director
Shri M.P. Sinha (w.e.f. 21.03.2018 upto 26.04.2018)	Non-Executive Director
Shri Raju Lakshmanan (upto 16.08.2018)	Non-Executive Director
Shri Pratyaya Amrit (upto 16.08.2018)	Non-Executive Director
Shri S. Narendra (wef 04.05.2018)	Non-Executive Director
Shri K. S. Garbyal (upto 31.01.2018)	Non-Executive Director
Shri K. K. Sharma (upto 31.10.2017)	Non-Executive Director
Shri Balaji Iyengar (wef 02.04.2018)	Chief Executive Officer
Shri M.K.Singh (wef 12.09.2018)	Chief Financial Officer
Shri Manish Kumar	Company Secretary

(v) Entities under the control of the same government:
During the year, the Company has become a wholly owned subsidiary of NTPC Limited (Central Public Sector Undertaking). Pursuant to Paragraph 25 & 26 of Ind AS 24 entities over which the same government has control or joint control of or significant influence then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Central Coalfield Limited, BHEL Ltd., SAIL Ltd., IRCON International Limited, NBCC (India) Ltd., Bihar State Power Generation Company Ltd., Bihar State Power Transmission Company Ltd, Bihar State Electricity Board, Rural Electrification Corporation Ltd, BSNL.

b) Transactions with the related parties are as follows:

₹ Lakhs

Name of Related Party	For the year ended31 March 2019	For the year ended31 March 2018
Shares issue		
NTPC Limited	66,728.45	47,063.55
Bihar State Power Generation Company Limited (BSPGCL) (erstwhile B.S.E.B)	-	47,063.55
Share Application money received		
NTPC Limited	39,210.00	50,456.55
Bihar State Power Generation Company Limited (BSPGCL) (erstwhile B.S.E.B)	7,725.45	30,596.55
Consultancy Service		
NTPC Limited	1,092.92	2,275.06
Utility Powertech Limited	933.97	645.32
Purchase of Capital Goods		
Bharat Heavy Electricals Limited	11,205.42	31,995.73
Steel Authority of India Limited	2,429.22	3,487.92
IRCON International Limited	3,783.57	5,847.41
NBCC (India) Ltd.	9,590.64	12,417.15
HPCL	5,424.57	2,654.43
BPCL	3,515.45	1,727.95
South Bihar Power Distribution Company Limited	1,308.05	4,044.11
Power System Operation Corporation Limited	899.57	-
Power Grid Corporation Of India Limited- Wheeling charges	2,919.80	-
South Bihar Power Distribution Company Limited - Deposit Works	156.29	-
East Central Railway- Frieght charges	531.12	-
FA & CAO Diesel Locomotive Works- Purchase of PPE	2,325.22	-
Central Coalfields Limited- Purchase of coal	418.44	-
Bihar State Electricity Board	-	3.56
Material (Transfer)/ Receipt on returnable basis		
Bhartiya Rail Bijlee Company Limited (BRBCL)	40.44	6.54
NTPC Limited	789.56	788.29

D.C. GARG & CO. CHARTERED ACCOUNTANTS

28 Related party disclosures (continued)

c) Compensation to Key management personnel

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Short term benefits		
Balaji Iyengar	75.86	-
M.K.Singh	65.60	-
Total	**141.46**	-

d) Outstanding balances with related parties are as follows:

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
NTPC Limited		
Amount payable for sale/purchase of goods and services	540.56	757.17
Amount recoverable (other current assets)	398.60	-
Commitments	3,058.67	3,163.90

d) Terms and conditions of transactions with the related parties

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

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

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

29 Earnings per Share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Basic earnings per share [A / B]		
From operations including regulatory deferral account balances	(0.01)	(0.00)
Less: From regulatory deferral account balances	(0.00)	0.05
From operations excluding regulatory deferral account balances	**(0.00)**	**(0.05)**
Diluted earnings per share [A / C]		
From operations including regulatory deferral account balances	(0.00)	(0.00)
Less: From regulatory deferral account balances	-	0.05
From operations excluding regulatory deferral account balances	**(0.00)**	**(0.05)**
a) **Profit attributable to equity shareholders [A]**		
From operations including regulatory deferral account balances	(320.90)	(10.10)
Less: From regulatory deferral account balances	(178.22)	1,398.79
From operations excluding regulatory deferral account balances	**(142.68)**	**(1,408.89)**
b) **Weighted average number of equity shares for basic earnings per share [B]**		
Opening balance of issued equity shares	3,31,98,71,000	2,37,86,00,000
Effect of shares issued during the year, if any	2,80,73,87,356	65,06,55,427
Weighted average number of equity shares	**6,12,72,58,356**	**3,02,92,55,427**
c) **Weighted average number of equity shares for diluted earnings per share [C]**		
Opening balance of issued equity shares	3,31,98,71,000	2,37,86,00,000
Effect of shares issued during the year, if any	3,82,85,61,603	6,56,62,044
Weighted average number of equity shares	**7,14,84,32,603**	**2,44,42,62,044**
d) Nominal value per share (in ₹)	10.00	10.00

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30 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

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

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

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

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Borrowings	9,17,546.73	7,91,270.41
Less : Cash and cash equivalent	3,548.06	7,396.05
Net debt	**9,13,998.67**	**7,83,874.36**
Total equity	**4,02,953.63**	**3,56,339.08**
Net debt to equity ratio	**2.27**	**2.20**

31 Regulatory Deferral Accounts

a) Nature of rate regulated activities

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

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

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

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

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

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

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

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

c) Reconciliation of the carrying amounts:

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Opening regulatory deferral account debit/(credit) balance	1,372.90	(25.89)
Add: Addition during the year	(178.22)	1,398.79
Closing regulatory deferral account debit/(credit) balance	**1,194.68**	**1,372.90**

*Above balances have not been discounted.

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

32 General Note

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

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33 Operating leases

a) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to three years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable.

b) Expenses (net) on operating lease of the premises for residential use of the employees amounting to ₹ 19.08 Lakhs (31 March 2018: ₹26.36 Lakhs) are included in note no. 21 employee benefits.

c) Expenses (net) on lease payments in respect of premises for offices/transit accommodation ₹ 2.63 Lakhs (31 March 2018: ₹ 11.80 Lakhs) are shown in rent and guest house expenses in note no. 23 other expenses.
Expenses (net) on lease payments includes Lease rent of ₹ Nil (31 March 2019: ₹ 3.56 Lakhs) for using a portion of B.S.P.H.C.L. (BSEB) colony at Sonenagar on operating lease basis.

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a) Amount remaining unpaid to any supplier:		
Principal amount	24.03	223.88
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d) Amount of interest accrued and remaining unpaid.	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act.	-	-

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

a) **Movement in provision during the year:**

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for obligations incidental to land acquisition		
Carrying amount at the beginning of the year	7,383.98	6,157.95
Add: Additions during the year	968.32	1,663.39
Less: Amounts used during the year	536.63	437.36
Carrying amount at the end of the year	7,815.67	7,383.98
Provision for shortages in construction stores		
Carrying amount at the beginning of the year	81.14	-
Add: Additions during the year	17.91	81.14
Less: Provision written back during the year	81.14	-
Carrying amount at the end of the year	**17.91**	**81.14**
Provision for arbitration cases		
Carrying amount at the beginning of the year	-	-
Add: Additions during the year	1,751.12	-
Carrying amount at the end of the year	**1,751.12**	-

b) **Provision for obligations incidental to land acquisition**

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

c) **Provision for arbitration cases**

The Company has created a provision for an arbitration case decided against the Company by the Sole Arbitrator for vendor's claim towards site levelling and infrastructure works package. The Company will challenge the award in due course.

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

d) Sensitivity of estimates on provisions

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

e) Contingent liability

(i) Disputed income tax matter

Disputed income tax matters pending before Hon'ble High Court amount to ₹ 191.00 Lakhs (31 March 2018: ₹ 715.22 Lakhs). Many of these matters were adjudicated in favour of the Company but are disputed before higher authorities by the concerned department. In respect of these disputed cases, the Company estimate possible reimbursement of ₹ 191.00 Lakhs (31 March 2018: ₹ 715.22 Lakhs).

(ii) Capital works

Contractors providing infrastructure work, installation and fabrication works and supply and erection of electrical equipments at our projects have lodged claim on Company for ₹ 1757.53 Lakhs (31 March 2018: ₹ 2,473.78 Lakhs) seeking price escalation, compensation for extended period, idle charges, revision for work schedule. These claims are being contested by the company as being not admissible in terms of provision of respective contract. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(iii) Land compensation cases

In respect of land acquired for the project the erstwhile landowners have claimed for compensation for ₹ 180.66 Lakhs (31 March 2018: ₹ 163.72 Lakhs) on account of land acquisition by NPGC and rehabilitation benefits before various authorities/courts which are under hearing and yet to be settled.

36 Income tax expenses

a) Income tax expense

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense		
Current year	66.43	-
Earlier year	200.34	-
Total income tax expense	**266.77**	**-**

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

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax including movement in regulated deferral account balances	(54.13)	(10.10)
Tax at Company's domestic tax rate of 0% (31 March 2018: 0%)	-	-
Tax pertaining to earlier years	200.34	-
Tax pertaining to interest income	66.43	-
Tax expense	**266.77**	**-**

37 Standards issued but not effective

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

a) Ind AS 116, 'Leases'

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

The standard permits two possible methods of transition:

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

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (modified retrospective approach)

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37 Standards issued but not effective (continued)

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

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

•An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

Certain practical expedients are available under both the methods.

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

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

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

The standard permits two possible methods of transition:

• Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application.

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

c) Amendment to Ind AS 12 'Income taxes'

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

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

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

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

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

e) Amendment to Ind AS 109 'Financial Instruments'

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

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

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)	(S.K. RATH)	(VIJAI SINGH)	(SUDHIR ARYA)	(A.K. GUPTA)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN

Place: New Delhi
Date : 16 May 2019

For D.C. Garg & Co.
Chartered Accountants
Firm Regn . No. 500035N

Sandeep Garg
Partner
Membership No. 075312
Place: New Delhi
Date 16 May 2019