NTPC Vidyut Vyapar Nigam Limited
(A wholly owned subsidiary of NTPC Limited)

Directors' Report

To
Dear Members,

Your Directors have immense pleasure in presenting the Fifteenth Annual Report on the working of the Company for the financial year ended on 31st March 2017 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(₹ in Crore)

	2016-17	2015-16
Total Revenue	**5261.16**	4040.95
Total Expenses	**5142.85**	3960.68
Profit/(Loss) before Tax	**118.31**	80.27
Tax expenses	**41.88**	28.31
Profit/(Loss) for the year	**76.43**	51.96

DIVIDEND

Your Directors have recommended a dividend of ₹30 Crore @ ₹15 per equity share on the face value of fully paid-up equity share capital of ₹10 each, for the financial year 2016-17. The dividend shall be paid after your approval at the Annual General Meeting.

ENERGY TRADING AND OTHER BUSINESS

In accordance with Central Electricity Regulatory Commission (CERC) notification, your Company has a trading Licensee under Category I (highest category).

In the Financial Year 2016-17, your Company achieved highest ever power trading volume of 15861 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 68 MUs.

During the financial year under review, your Company has earned a margin of ₹86.17 Crore from trade of 15861 MUs including 5921 MUs traded under solar & thermal bundled power, 577 MUs traded under SWAP arrangements, 3592 MUs under bilateral trade, 2632 MUs traded through exchange and 3139 MUs traded under Cross Border Trading, as compared to margin of ₹66.78 Crore from trade of energy of 12600 MUs including 5789 MUs traded under solar & thermal bundled power, 1092 MUs traded under SWAP arrangements, 2416 MUs under bilateral trade, 1342 MUs traded through exchange and 1961 MUs traded under Cross Border Trading. The overall volume of energy traded by the Company during the financial year 2016-17 has increased by 25.88% and margins increased by 29.04% over previous financial year 2015-16.

BUSINESS INITIATIVES

The Government of India designated your Company as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM) with a mandate for purchase of power from the solar power projects connected to grid at 33 KV and above, at tariff regulated by CERC and for sale of such power, bundled with the power sourced from NTPC coal power stations to Distribution Utilities under Phase I of JNNSM which envisages setting up of 1000 MW solar capacity. As on March 31, 2017 the total commissioned capacity under the Scheme of Batch I of Phase I of JNNSM is 733 MW.

During the Financial Year 2016-17, a total of 5921 MUs of bundled solar power (including 1114 MUs of Solar Power) have been supplied to Discoms/ Utilities of the states of Rajasthan, Punjab, Maharashtra, Andhra Pradesh, Uttar Pradesh, Tamil Nadu, Karnataka, Assam, West Bengal, Odisha, Telangana, Chhattisgarh and Damodar Valley Corporation.

Your Company has been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. As per the Power Purchase Agreement (PPA) for supply of 250 MW power for 25 years from NTPC stations, signed between your Company and Bangladesh Power Development Board (BPDB), power is being supplied by the Company to Bangladesh from Oct' 2013. Further PPA has been signed between BPDB and your Company on March 15, 2016 and back to back Power Sale Agreement (PSA) has also been signed with Tripura State Electricity Corporation Limited (TSECL) for supply of 100 MW power under radial mode from 2016. Power supply to BPDB from Tripura commenced from March 17, 2016. About 2467 MUs of energy has been supplied in the financial year 2016-17. PPA/PSA for additional 60 MW Power to Bangladesh from Tripura has been signed and power flow started from April' 17.

PPA was signed between your Company and Nepal Electricity Authority (NEA) for supply of upto 80MW power through newly commissioned 400kV Muzaffarpur - Dhalkebar A/C line under radial mode from Indian Market. The Power supply commenced on February 18, 2016. Further PPA was signed on December 22, 2016 between the Company and NEA for supply of upto 160MW power from January to May 2017 to Nepal through 400 kV Muzafferpur-Dhalkabar transmission line presently charged at 132 kV. About 672 MUs of energy has been supplied in financial year 2016-17 to Nepal.

Your Company has excelled in many fields including expanding customer base, selling captive power, selling power of Independent Power Producers (IPPs), entering into power banking arrangement, trading of Power and REC on the platform of Power Exchange(s) etc. The customer base of the Company has increased to more than 100 customers including state government utilities, private power utilities, IPPs and captive power generators in all five regions of India.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31st March 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) had appointed M/s S.S. Kothari Mehta & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2016-17.

The Statutory Auditors of the Company have given unqualified report on the financial statements of the Company for the financial year 2016-17.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 12 July 2017 communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31st March 2017 under section 143 (6) (a) of the Act. On the basis of their audit noting significant has come to their Knowledge which would give rise to any comment upon or supplement to statutory auditors' report. As advised by the office of the C&AG, the comments of C&AG for the year 2016-17 are being placed with the report of Statutory Auditors of your company elsewhere in this Annual Report.

PARTICULARS OF EMPLOYEES

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the Government Companies are exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. Your Company being a Government company is not required to include aforesaid information as a part of the Directors' Report.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Agarwal S. & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Report of the Secretarial Auditors is enclosed at Annexure-II.

Secretarial Auditors have expressed their observation on appointment of Independent Directors. The Management reply to the Secretarial Auditors observations are as under:

Secretarial Auditors observation:

During the Financial year, the composition of the Board & committees of the Board should be in compliance with the provisions of the Companies Act, 2013 with respect to appointment of

Independent Directors & consequential non-compliances thereof.

Note: The Ministry of Corporate Affairs vide its notification dated 5th July, 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent Directors. In view of the aforesaid notification NVVNL is not required to appoint Independent Directors. The above said observation is retained as it pertains to financial year prior to aforesaid notification.

Management reply

NTPC Limited, the holding company, by virtue of Maharatna powers, and previously Navratna powers, in order to achieve its corporate aims, formed your Company, as a wholly owned subsidiary. As per provisions of Articles of Association of your Company, all Board level appointments are made by NTPC Limited.

In case of a Government Company, the independent Directors are to be appointed by the Government of India. NTPC Limited, the holding company, has been writing letters to the Department of Public Enterprises, Government of India, requesting to authorize NTPC Limited for nominating Independent Directors on the Board of its subsidiaries. The reply on the same is awaited.

Your Company, being the wholly owned unlisted public subsidiary of NTPC Limited, is now exempted to appoint Independent Directors. The same has also been explained by the Secretarial Auditors in Note to their observation.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

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

(ii) the Directors had selected such accounting policies and applied them consistently (except where newly issued accounting standards requires a change) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2016-17 and of the profit of the company for that period;

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

(iv) the Directors had prepared the annual accounts on a going concern basis.

(v) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of Shri Gurdeep Singh, Chairman (DIN: 00307037), Shri A. K. Jha, Director (DIN: 03590871), Shri Kulamani Biswal (DIN: 03318539), Shri K.K. Sharma, Director (DIN: 03014947) and Smt. A. Sathyabhama, Director (DIN: 06904946).

In accordance with the provisions of Companies Act, 2013, Shri Kulamani Biswal, Director shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for reappointment.

Number of meetings of the Board

During the financial year under review, 6 meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
May 17, 2016	5	4
July 20, 2016	5	5
September 21, 2016	5	4
October 21, 2016	5	4
December 14, 2016	5	3
February 13, 2017	5	4

The details of the number of meetings attended, during the financial year under review, by each director are as follows:

Name of the Director	Designation	Attendance during 2016-17
Shri Gurdeep Singh	Chairman	6 out of 6
Shri A.K. Jha	Director	6 out of 6
Shri Kulamani Biswal	Director	6 out of 6
Shri K.K. Sharma	Director	4 out of 6
Mrs. A. Sathyabhama	Director	2 out of 6

Declaration of Independent Director.

Your Company is not having independent Directors during the financial year 2016-17. Hence, the statement on declaration by Independent directors under section 149(6) of the Companies Act, 2013, is not included.

Now the Ministry of Corporate Affairs vide its notification dated 5th July, 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent Directors. In view of the aforesaid notification your Company is not required to appoint Independent Directors.

AUDIT COMMITTEE

Your Company has an Audit Committee of the Board comprising of 3 Directors. During the financial year under review 3 meetings of the Audit Committee were held on the following dates:

Date of Audit Meeting Committee	Total strength of the Directors	No. of Directors present
May 17, 2016	3	2
July 20, 2016	3	3
September 21, 2016	3	2

The details of the number of Audit committee meetings attended by each director, during the financial year under review are as follows:

Name of the Director	Designation	Attendance during 2016-17
Shri Kulmani Biswal	Chairman	3 out of 3
Shri K.K. Sharma	Director	2 out of 3
Mrs. A. Sathyabhama	Director	2 out of 3

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility (CSR) Committee consisting of 3 directors.

During the financial year under review 3 meetings of the CSR committee were held on the following dates:

Date of CSR Committee Meeting	Total strength of the Directors	No. of Directors present
May 17, 2016	3	3
October 21, 2016	3	3
March 20, 2017	3	3

The details of the number of CSR committee meetings attended by each director, during the financial year under review are as follows:

Name of the Director	Designation	Attendance during 2016-17
Shri Gurdeep Singh	Chairman	3 out of 3
Shri A.K. Jha	Director	3 out of 3
Shri Kulamani Biswal	Director	3 out of 3

As per the requirement of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Responsibility Policy) Rules, 2014 the annual report on CSR activities is at Annexure-III.

Disclosure on the Nomination and Remuneration Committee.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, your Company has constituted the Nomination and Remuneration Committee consisting of 3 directors.

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the Government Companies are exempted to comply with the provisions of sub-sections 2, 3 and 4 of Section 178 of the Companies Act, 2013. Your Company being a Government company is not required to formulate and disclose policy, as a part of the Directors' Report, as envisaged.

During the financial year under review one meeting of the Nomination and Remuneration Committee were held on the following date:

Date of the Nomination and Remuneration Committee	Total strength of the Directors	No. of Directors present
October 21, 2016	3	3

The detail of number of the Nomination and Remuneration Committee meeting attended by each director, during the financial year under review is as follows:

Name of the Director	Designation	Attendance during 2016-17
Shri A.K. Jha	Chairman	1 out of 1
Shri Kulamani Biswal	Director	1 out of 1
Shri K.K. Sharma	Director	1 out of 1

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your Company has not given any loans or guarantees or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, have taken place between financial year ended March 31, 2017, to which the financial statement relates and the date of this Directors' Report, which affects the financial position of your Company.

EXTRACT OF ANNUAL RETURN

As per requirement of Section 92 (3), Section 134 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in form MGT-9 is given under Annexure-IV.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As per requirement of Section 188 (2) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements, during the financial year 2016-17, with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is given under Annexure-V.

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

Being a trading company the norms for conservation of energy and technology absorption are not applicable to your Company.

During the financial year under review your Company has earned ₹848.65 crore from trade of power in foreign currency as compared to ₹ 446.17 crore foreign currency earned during the financial year 2015-16. An expenditure of ₹0.04 crore, during the financial year under review, in foreign currency has been incurred mainly towards travelling of employees and other payments/ reimbursements as compared to ₹0.09 crore expenses incurred towards travelling of employees during the financial year 2015-16.

ACKNOWLEDGMENT

The Board of Directors of your Company wishes to place on record their appreciation for the support and co-operation extended by NTPC Limited, the Ministry of Power and the Ministry of New and Renewable Energy of Government of India, the Central Electricity Regulatory Commission, the valued customers of the Company, various State Power Utilities, Statutory Auditors, Office of the Comptroller and Auditor General of India, Bankers of the Company and the untiring efforts made by all employees to ensure that the company continues to perform and excel.

For and on behalf of the Board of Directors

(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 27, 2017

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Trading is an essential tool, which plays an important role in optimization of resources by utilizing the surpluses of seasons or time of day of a state / utility to meet the unmet demand / deficits of the same or another state / utility/ consumers by way of sale/purchase or swap arrangements. Power traders play a key role for identification of such sources of surplus (supply) and deficits (consumers'), tie up open access, and arrange scheduling for matching supply and demand at optimum cost charging a very small margin of their own.

CERC has fixed a ceiling trading margin for short term trade at 7 paise per kWh in case the sale price is exceeding ₹3 per kWh and 4 paise per kWh where sale price is less than or equal to ₹3 per kWh. However, Transactions through power swapping/ banking are out of purview of the CERC Regulations for Short Term Trading.

During the last four years, 43 traders have obtained licenses for serving the needs of various clients. The traders are issued license under categories I, II or III depending on the volume of units proposed to be traded and their net worth. During the financial year 2016-17 out of the electricity generation of approximately 1158 Billion units, approximately 96 Billion units were traded, representing 8.29% of trading to total generation.

The short term power market volume increased to 96 BUs in the financial year 2016-17 as compared to 94 BUs during financial year 2015-16, registering a growth of 2.13%. During the financial year 2016-17 there is substantial growth in the volume of power exchange by 17.65% as compared to previous year. Despite increase in volume of Short term market, the volume transacted in bilateral direct and bilateral trading decreased by 12.5% and 2.77% respectively over the previous year.

Structure of Power Market in India*

(i)	Long –Term (89.72 %)	1039 BU
(ii)	Power Trading (8.29%)	96 BU
(iii)	Balancing Market (UI) (1.99 %)	23 BU
	Total	**1158 BU**

The trading of Power in India*

(i)	Bilateral Trading	35 BU
(ii)	Bilateral Direct	21 BU
(iii)	Through Power Exchange	40 BU
	Total	**96 BU**

*Source: CERC (2016-17).

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC Limited having formidable network, established rapport, credibility with potential buyers & sellers and backed with professional manpower from NTPC and trading capabilities built over the years.

Your Company is exposed to credit risk due to buyers' inability to make timely payments without strong payment security mechanism in place.

OPPORTUNITIES AND THREATS

The inter-regional power transfer capacity has increased to 75050 MW (*Source: Ministry of Power website). This is expected to provide considerable opportunities for enhancement of trading volumes. With the passage of time short term power market has shifted from a sellers' market to a buyers' market due to large availability of merchant power and low demand from Distribution utilities. Also with the introduction of DEEP e-bidding portal the market has become very competitive.

The financial health of Distribution companies (DISCOMs) is very poor. Government has come up with Ujwal Discom Assurance Yojana (UDAY scheme) to provide financial turnaround and revival of Power DISCOMs. Many states have joined UDAY scheme and with the implementation of UDAY scheme, the financial position of the State DISCOMS is expected to improve.

In recent times with the increase in entry of number of private traders the trading market has seen increased competition leading to power being traded without proper back-to-back payment security mechanism, making transactions prone to higher payment risk. The financial position of many State DISCOMs / Utilities is also a cause for concern for your Company

OUTLOOK

Your Company was designated Nodal Agency for Cross Border trading of power with Bangladesh, Bhutan and Nepal. The PPA between your Company and BPDB for supply of 250 MW power from NTPC stations for 25 years was signed on February 28, 2012. The Power supply to Bangladesh commenced from October 5, 2013. Since 2013, the cross border trading business of the Company has grown significantly. Existing Power supply to BPDB from Tripura and power supply to Nepal from Indian market has increased the visibility of the company in the Power market of neighbouring countries. Guidelines on Cross Border trade of electricity have been issued by Ministry of Power and further the CERC regulations expected in financial year 2017-18, will bring transparency in the market and will also result in growth of Cross Border trade of electricity.

Your Company is also designated Nodal Agency under JNNSM Phase-I for buying power from solar power developers in India and selling to distribution utilities after bundling with thermal power from NTPC coal based stations. The business of selling bundled power to Discoms commenced from financial year 2011-12 and has grown with progressive commissioning of capacities.

Your Company is exploring new avenues for enhancement of future business in the Cross Border Trading of Power, Renewable Power Sector and trading of energy certificates (ESCerts) under Perform Achieve and Trade Scheme, cycle I started by Ministry of Power, Government of India and expects to consolidate its business in these segments for achieving long term growth.

RISKS, CONCERNS AND THEIR MANAGEMENT

Your Company is trading power on back-to-back basis, with the approval of the Board. It means terms & conditions, both for purchase/sale are on back-to-back basis. Deviation, if any, is reported to Board.

The trading margin capped by CERC for electricity trading limits revenues of trading companies. The risk gets further enhanced due to large number of private players offering lower trading margin than capped trading margin. Your Company continues to focus on increasing its market share in power trading with emphasis on back-to-back arrangements in order to mitigate risks while making endeavors to increase the business.

Your Company being the wholly owned subsidiary of NTPC Limited is governed by the framework of Risk Management in NTPC Limited. Key risks are regularly monitored through reporting of key performance indicators of identified risks.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Your Company has adopted the internal control system of its holding company viz. NTPC Limited. A well defined internal control framework has been developed identifying key controls. The authorities vested in various levels are exercised within framework of appropriate checks and balances. Effectiveness of all checks and balances and internal control systems is reviewed during internal audit carried out by Internal Audit Department of NTPC Limited. An independent internal audit is also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited. The Internal Audit Reports are regularly reviewed by the Audit Committee of the Board of Directors.

PERFORMANCE DURING THE YEAR

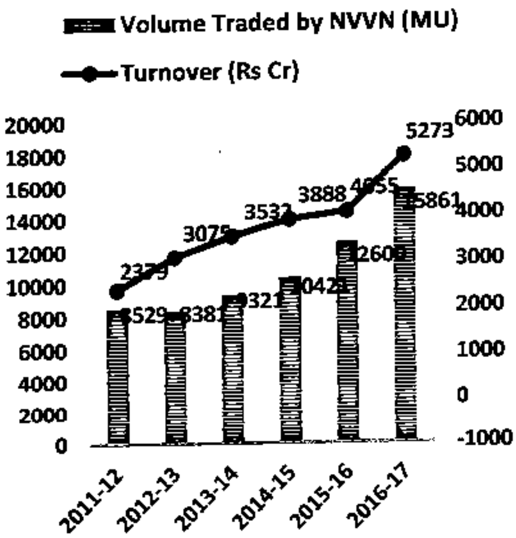
Operations

Your Company has been issued license under category "I" which allows trading of 1000 million units and above every year without any upper limit.

The details of the energy traded by the Company are as follows:

	2016-17	2015-16
Trading of Power	Million units	
Bilateral Trading	**3592**	2416
Power SWAP Arrangements	**577**	1092
Solar Bundled Power	**5921**	5789
Cross Border Trading	**3139**	1961
Trading through exchange	**2632**	1342
Total	**15861**	12600

During the Financial Year 2016-17, your Company traded 15861 MUs of power, which includes 5921 MUs of bundled solar power under JNNSM. The overall volume of power traded by Company has increased by 25.88% over last year.



In the past three years your company has developed a good customer base and has served over 100 customers including State Government/Private Power Utilities, Captive Power Generators etc. in all five regions in the country.

MoU RATING & PERFORMANCE

The performance of your Company in terms of Memorandum of Understanding (MoU) signed with the NTPC, the holding company for the financial year 2015-16 has been rated as "Excellent" by Department of Public Enterprises. Your Company have successfully accomplished targets, under the MoU 2016-17, of % Increase in Power Exchange customers over previous year (160% was achieved against the MoU target of 10%). Your Company has also developed the Portal for Solar Power developers (SPD's) on January 11, 2017 against the MoU target of January 31, 2017. Also % Reconciliation of the Billed Amount for April- Dec 2016 was 89% against the MoU target of 85%.

Financial Performance

The revenue of your Company comprises of mainly sales from Energy traded and it contributes to 98% of total revenue.

₹ in Crore

	2016-17	2015-16
Sales		
Energy	**5272.71**	4054.58
Rebate on energy sale	**(48.87)**	(34.56)
Other income	**37.32**	20.93
Total	**5261.16**	4040.95

The Total operating expenses of the Company are as follows: -

₹ in Crore

	2016-17	2015-16
Purchase of energy	**5186.53**	3987.80
Rebate from sellers	**(74.98)**	(51.06)
Employee benefits expense	**14.58**	13.97
Other expenses	**11.29**	9.79
Total operating expenses	**5137.42**	3960.50

The total expenses including operating expenses of the Company are as follows:-

₹ in Crore

	2016-17	2015-16
Total operating expenses	**5137.42**	3960.50
Finance cost	**5.33**	0.05
Depreciation, amortization and impairment expense	**0.10**	0.13
Total expenses including operating expenses	**5142.85**	3960.68

The depreciation cost as compared to total expense is negligible since the fixed assets in the Company are represented by furniture and fixtures, EDP machines and software etc. and the Gross Block was of the order of ₹0.34 Crore as on 31.3.2017.

During the year the Company earned profit after tax of ₹76.43 Crore registering an increase of 47.09% over the previous year.

₹ in Crore

	2016-17	2015-16
Profit before tax	**118.31**	80.27
Tax expenses	**41.88**	28.31
Profit for the year	**76.43**	51.96

Dividend

Your Directors have recommended a dividend of ₹30 Crore @ ₹15 per equity share on the face value of fully paid-up equity share capital of ₹10 each, for the financial year 2016-17. The dividend shall be paid after your approval at the Annual General Meeting.

Reserves & Surplus

During the financial year 2016-17, a sum of ₹79 Crore have been added to General Reserve as compared to ₹26 Crore in the previous year.

Current Assets

The current assets at the end of the financial year 2016-17 were ₹1415.40 Crore as compared to ₹1225.38 Crore in financial year 2015-16 registering an overall increase of 15.51%.

₹ in Crore

	31.3.2017	31.3.2016
Trade receivables	**539.70**	558.75
Cash and cash equivalents	**183.80**	24.35
Other bank balances	**164.19**	310.50
Other financial assets	**525.21**	327.73
Other current assets	**2.50**	4.05
Total Current Assets	**1415.40**	1225.38

The increase in Total Current Assets was mainly due to increase in other financial assets on account of unbilled revenues of ₹524.23 Crore as on March 31, 2017 against ₹325.22 Crore as on March 31, 2016. As on March 31, 2017 trade receivables have reduced to ₹539.70 Crore as compared to ₹558.75 Crore as on March 31, 2016. The receivables are equivalent to 37 days of billing as on March 31, 2017 against 51 days of billing as on March 31, 2016. The major amount of receivables has now been recovered from various buyers and balance amount would be realized soon.

Current Liabilities

During the financial year 2016-17, Current Liabilities have increased to ₹1132.65 Crore as compared to ₹1019.91 Crore in the financial year 2015-16, mainly on account of increase in trade payables.

₹in Crore

	31.03.2017	31.03.2016
Trade payables	**850.88**	643.03
Other financial liabilities	**255.08**	330.63
Other current liabilities	**4.08**	2.09
Provisions	**18.32**	41.23
Current tax liabilities (net)	**4.29**	2.93
Total Current Liabilities	**1132.65**	1019.91

Cash Flow Statement

₹ in Crore

	2016-17	2015-16
Opening cash and cash equivalents	**24.35**	31.42
Net cash from operating activities	**177.15**	(12.47)
Net cash from investing activities	**6.37**	9.40
Net cash flow from financing activities	**(24.07)**	(4.00)
Net change in cash and cash equivalents	**159.45**	(7.07)
Closing cash and cash equivalents	**183.80**	24.35

The closing cash and cash equivalent for the financial year ended March 31, 2017 has increased from ₹24.35 Crore in the previous year to ₹183.80 Crore in the current year, mainly due to heavy collection from our customers on March 31, 2017

Financial Indicators

The various performance indicators for the financial year 2016-17 as compared to financial year 2015-16 are as under: -

₹in Crore

	Description	2016-17	2015-16
A	i) Capital employed	**310.11**	233.16
	ii)Net worth	**310.11**	233.16
B	i) Return on Capital Employed (PBT/CE)	**38%**	34%
	ii) Return on net worth (PAT/NW)	**25%**	22%
C	Dividend as % of Equity Capital	**150**	100
D	Earning per share in ₹ (EPS) before exceptional item	**38.22**	25.98

The capital employed as well as net worth has increased due to addition of profit earned during the current financial year and such increase has also resulted increase in Return on Capital Employed, Return on Net Worth and EPS of the Company.

Procurement from MSEs

Your Company during the financial year under review has procured goods and services amounting to ₹2.02 Crore out of which procurement of goods and services from Micro and Small Enterprises (MSEs) was ₹82.51 Lakh. The percentage procurement from MSEs was 40.76%.

Sexual Harassment of women at workplace.

All the employees of the Company are on secondment basis from holding company viz. NTPC Limited. In line with the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, all the employees are regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

Human Resources

As on 31st March 2017, there were 43 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious growth targets, the Company has drawn professional manpower from NTPC who have rich experience in dealing in various technical, financial and commercial issues.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describes the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 27, 2017

ANNEXURE : II

AGARWAL S. & ASSOCIATES
COMPANY SECRETARIES

119 & 127, Vardhman Star City Mall
Sector 7, Dwarka, New Delhi-110075
Email Id: sachinag1981@gmail.com
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SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
NTPC Vidyut Vyapar Nigam Limited.

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

Based on our verification of the NVVNL's books, papers, Minute books, forms and returns filed and other records maintained by the Company and also the information's provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NVVNL for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

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

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

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

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

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

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

Agarwal S. & Associates New Delhi Company Secretaries

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**

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

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

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

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

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

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

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

1. *During the Financial year, the composition of the Board & committees of the Board should be in compliance with the provisions of the Companies Act, 2013 with respect to appointment of Independent Directors & consequential non-compliances thereof.*

Note: The Ministry of Corporate Affairs vide its notification dated 5th July, 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent directors. In view of the aforesaid notification NVVNL is not required to appoint Independent Directors. The above said observation is retained as it pertains to financial year prior to aforesaid notification.

We further report that the Board of Directors of the Company is not duly constituted due to non-appointment of Independent Directors on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

For **Agarwal S. & Associates,**
Company Secretaries,

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

Place: New Delhi
Date: 10.07.2017

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

"Annexure A"

To,
The Members,
NTPC Vidyut Vyapar Nigam Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,

Agarwal S. & Associates New Delhi Company Secretaries

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

Place: New Delhi
Date: 10.07.2017

ANNEXURE : III

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

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

   NTPC Limited is executing the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy of NTPC Limited is formulated keeping in view the requirements of the Companies Act, 2013 and the Department of Public Enterprises. The CSR policy focused on Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability and other subject matter described under schedule VII of the Companies Act, 2013. The CSR policy is also available on the website of the Company: www. nvvn.co.in.

2. **The Composition of the CSR Committee.**

Name of the Director	Designation
Shri Gurdeep Singh	Chairman
Shri A.K. Jha	Director
Shri Kulamani Biswal	Director

3. **Average net profit of the company for last three financial years.**

   The average net profit of the Company for three immediately preceding financial years i.e. 2013-14, 2014-15 and 2015-16 is ₹78.50 crore.

4. **Prescribed CSR Expenditure.**

   The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹ 78.50 crore i.e. ₹ 1.57 Crore in the financial year 2016-17.

5. **Details of CSR spent during the financial year 2016-17.**

(a)	**Total amount spent for the financial year**	:	₹2,07,77,525
(b)	**Amount unspent, if any**	:	₹ 11,13,740
(c)	**Manner in which the amount spent during the financial year**	:	**Detailed below**

(1) S.No	(2) CSR project or activity identified.	(3) Sector in Which the Project is covered.	(4) Projects or Programs (1) Local area or other (2) Specify the State and the district where projects or progams was undertaken.	(5) Amount outlay (budget) Project or Programs wise (Amount in ₹ lakh)	(6) Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in ₹ lakh)	(7) Cumulative expenditure upto to the reporting period. (Amount in ₹ lakh)	(8) Amount spent: Direct or through implementing agency
1.	Implementation and commissioning of solar power Integrated Domestic Energy System in 300 households in 3 villages	Rural Development/ Environment sustainability	In 3 villages of Chhatarpur District of Madhya Pradesh	40.668	*31.559	40.668	Implementing Agency
2.	Designing, Supplying, Installing and commissioning of 150 kWp Rooftop Solar PV System	Environmental Sustainability	Birla Institute of Technology, Sindri, Jharkhand	79.769	53.179	53.179	Direct
3.	Mukhya Mantri Jal Swalamban Abhiyan, Rajasthan	Rural Development	Baran, Rajasthan	75.690	71.500	71.500	Implementing Agency
4.	Installation of hand pumps	Promoting sanitation and safe drinking water	Phulpur, Uttar Pradesh	55.150	51.537	51.537	Implementing Agency
	Total			**251.277**	**207.775**	**216.884**	

* The project was undertaken during the financial year 2015-16. Out of budgeted amount of ₹ 40.668 Lakh an amount of ₹9.109 Lakh was incurred in financial year 2015-16 and an amount of ₹31.559 Lakh was incurred in financial year 2016-17

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

Entire CSR budget for the financial year 2016-17, as per the provisions of the Companies Act, 2013, has been committed for CSR activities and remaining unspent amount shall be utilized in subsequent financial year 2017-18 onwards as spill over for CSR activities.

7. A responsibility statement of the CSR Committee

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

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

For and on behalf of the Board of Directors

(Arun Kumar Garg)
Chief Executive Officer

(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 27, 2017

ANNEXURE : IV

Form No. MGT-9

Extract of Annual Return
as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U40108DL2002GOI117584
ii)	Registration Date	:	November 1, 2002
iii)	Name of the Company	:	NTPC Vidyut Vyapar Nigam Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by shares
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003, Ph. No. 011-24360071
vi)	Whether listed company Yes / No	:	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/Services	NIC code of the Product/service	% to total turnover of the company
1.	Power Trading	N.A.	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	NTPC Limited NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003	L40101DL1975GOI007966	Holding	100	Section 2 (46) of the Companies Act, 2013

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a)Individual/ HUF	-	-	-	-	-	-	-	-	-
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.(s)	-	-	-	-	-	-	-	-	-
d)Bodies Corp. **(NTPC Limited)**	-	1,99,99,300	1,99,99,300	100	-	1,99,99,300	1,99,99,300	100	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other **(Nominees of NTPC)**	-	700	700	-	-	700	700	-	-
Sub-total (A) (1):-	-	**2,00,00,000**	**2,00,00,000**	**100**	-	**2,00,00,000**	**2,00,00,000**	**100**	-
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-								

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + A(2)	-	2,00,00,000	2,00,00,000	100	-	2,00,00,000	2,00,00,000	100	-
B. Public Shareholding									
1.Institutions									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B) (2)	-	-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2,00,00,000	2,00,00,000	100	-	2,00,00,000	2,00,00,000	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in the shareholding during the year
1.	NTPC Limited	1,99,99,300	100	-	1,99,99,300	100	-	-
2.	Nominee of NTPC	700	-	-	700	-	-	-

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

SI No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,00,00,000	100	2,00,00,000	100
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc.) :	No change	No change	No change	No change
	At the End of the year	2,00,00,000	100	2,00,00,000	100

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri Gurdeep Singh, Director (As Nominee of NTPC Limited)**				
	At the beginning of the year	NIL	-	NIL	-
	Equity shares transferred on 17.05.2016, as nominee of NTPC	100	-	100	-
	At the End of the year	100	-	100	-
2.	**Shri A.K. Jha, Director (As Nominee of NTPC Limited)**				
	At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	No change	No change	No change	No change
	At the End of the year	100	-	100	-
3.	**Shri Kulamani Biswal, Director (As Nominee of NTPC Limited)**				
	At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	No change	No change	No change	No change
	At the End of the year	100	-	100	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition •Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company secretary**	**CFO**	**Total**
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	33,35,976	16,07,153	32,26,532	**81,69,661**
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	93,334	45,794	95,761	**2,34,889**
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify(Leave encashment)	-	-	-	-
	Total	**34,29,310**	**16,52,947**	**33,22,293**	**84,04,550**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 27, 2017

ANNEXURE : V

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis			
(a)	Name(s) of the related party and nature of relationship	:	Utility Powertech Limited. A Joint Venture Company of holding company viz. NTPC Limited
(b)	Nature of contracts/arrangements/ transactions	:	The contract was for hiring of skilled and non-skilled manpower for carrying out day-to-day activities of the Company.
(c)	Duration of the contracts/arrangements/ transactions	:	Contracts were for the durations of 3 months, 9 months and 1 year
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Cumulative approved contract value was upto ₹73,00,000
(e)	Justification for entering into such contracts or arrangements or transactions	:	Utility Powertech Limited (UPL), a Joint Venture Company of NTPC Limited, the holding Company, is providing manpower to joint ventures and subsidiaries of NTPC. Since incorporation of the Company, UPL is providing skilled and non-skilled manpower.
(f)	Date(s) of approval by the Board	:	September 21, 2016
(g)	Amount paid as advances, if any:	:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis			
(a)	Name(s) of the related party and nature of relationship		Not Applicable
(b)	Nature of contracts/arrangements /transactions	:	Not Applicable
(c)	Duration of the contracts / arrangements /transactions	:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	:	Not Applicable
(e)	Date(s) of approval by the Board, if any:	:	Not Applicable
(f)	Amount paid as advances, if any:	:	Not Applicable

For and on behalf of the Board of Directors

(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 27, 2017

NTPC VIDYUT VYAPAR NIGAM LIMITED

BALANCE SHEET AS AT 31ST MARCH 2017

₹ Lakh

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
Non-current assets				
Property, plant and equipment	2	13.06	17.21	24.74
Capital work-in-progress	3	-	3.41	3.41
Intangible assets	2	1.32	4.50	7.69
Deferred tax Asset (net)	4	5.02	-	-
Other non-current assets	5	2,727.29	2,891.56	2890.86
		2,746.69	2,916.68	2926.70
Current assets				
Financial assets				
Trade receivables	6	53,970.29	55,874.67	48583.95
Cash and cash equivalents	7	18,379.80	2,435.13	3142.20
Other bank balances	8	16,418.99	31,050.32	32894.55
Other financial assets	9	52,521.18	32,773.31	28916.77
Other current assets	10	249.85	405.26	119.07
		141,540.11	122,538.69	113656.54
TOTAL ASSETS		144,286.80	125,455.37	116583.24
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	2,000.00	2,000.00	2,000.00
Other equity	12	29,021.76	21,378.22	18,589.58
		31,021.76	23,378.22	20,589.58
Liabilities				
Non-current liabilities				
Deferred tax liabilities (net)	4	-	86.63	1.83
		-	86.63	1.83
Current liabilities				
Financial liabilities				
-Trade payables	13	85,087.79	64,303.23	53,782.83
-Other financial liabilities	14	25,507.47	33,062.67	41,267.91
Other current liabilities	15	408.43	208.48	426.17
Provisions	16	1,832.24	4,122.70	399.88
Current tax liabilities (net)	17	429.11	293.44	115.04
		113,265.04	101,990.52	95,991.83
TOTAL EQUITY AND LIABILITIES		144,286.80	125,455.37	116,583.24
Significant Accounting Policies	1			

The accompanying notes 1 to 38 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Nitin Mehra)
Company Secretary

(Alka Saigal)
CFO

(A. K. Garg)
CEO

(K. Biswal)
Director

(Gurdeep Singh)
Chairman

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

(Naveen Aggarwal)
Partner (M.No.94380)

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 18/05/17

NTPC VIDYUT VYAPAR NIGAM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

₹ Lakh

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue			
Revenue from operations	18	522,384.31	402,002.47
Other income	19	3,731.57	2,092.92
Total revenue		526,115.88	404,095.39
Expenses			
Purchase of energy	20	511,155.33	393,674.09
Employee benefits expense	21	1,458.12	1,397.36
Finance costs	22	532.95	5.23
Depreciation, amortization and impairment expense	2	9.61	13.07
Other expenses	23	1,128.56	978.97
Total expenses		514,284.57	396,068.72
Profit before tax		11,831.31	8,026.67
Tax expense			
Current tax			
Current year		4,279.65	2,746.08
Earlier years		(0.23)	-
Deferred tax		(91.65)	84.80
Total tax expense		4,187.77	2,830.88
Profit for the year		7,643.54	5,195.79
Total comprehensive income for the year		7,643.54	5,195.79
Significant accounting policies	1		
Earnings per equity share (Par value ₹10/- each)			
Basic & Diluted (₹)		38.22	25.98

The accompanying notes 1 to 38 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Nitin Mehra) Company Secretary | (Alka Saigal) CFO | (A. K. Garg) CEO | (K. Biswal) Director | (Gurdeep Singh) Chairman

For S S Kothari Mehta & Co.,

Chartered Accountants

Firm Registration No.000756N

(Naveen Aggarwal)

Partner (M.No.94380)

Place: New Delhi

Dated: 18/05/17

NTPC VIDYUT VYAPAR NIGAM LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

₹ Lakh

	31.03.2017	31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	11,831.31	8,026.67
Adjustment for:		
Depreciation	9.61	13.07
Interest Charges	58.08	5.23
Interest income	(639.43)	(1,143.25)
Provision	7.85	-
Profit on disposal of fixed asset	-	(0.03)
	(563.89)	(1,124.98)
Operating Profit before Working Capital Changes	11,267.42	6,901.69
Adjustment for:		
Trade and other receivables	(17,976.26)	(10,938.54)
Trade payable, provisions and other liabilities	13,546.00	3,813.02
Deposits & other bank balances	14,631.33	1,844.23
Other Current Assets	288.18	(494.92)
	10,489.25	(5,776.21)
Cash generated from operations	21,756.67	1,125.48
Direct taxes paid	(4,042.00)	(2,372.69)
Net Cash from Operating Activities-A	17,714.67	(1,247.21)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3.03)	(5.00)
Disposal of fixed assets	0.75	2.68
Interest on investments Received	639.43	1,143.25
Income Tax on Interest on Investments		(200.91)
Net Cash used in Investing Activities -B	637.15	940.02
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,000.00)	-
Tax on dividend	(407.15)	(399.88)
Interest Paid	-	-
Net Cash flow from Financing Activities-C	(2,407.15)	(399.88)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	15,944.67	(707.07)
Cash and Cash equivalents (Opening balance)	2,435.13	3,142.20
Cash and Cash equivalents (Closing balance)	18,379.80	2,435.13

NOTES

Cash and Cash Equivalents consist of Balance with Banks in current accounts. Cash & cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 7:

	31.03.2017	31.03.2016
Balances with banks		
Current accounts	18,379.80	2,435.13

For and on behalf of the Board of Directors

(Nitin Mehra)
Company Secretary

(Alka Saigal)
CFO

(A. K. Garg)
CEO

(K. Biswal)
Director

(Gurdeep Singh)
Chairman

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

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Naveen Aggarwal)
Partner (M.No.94380)

Place: New Delhi
Dated: 18/05/17

NTPC VIDYUT VYAPAR NIGAM LIMITED

Statements Of Changes In Equity

₹ Lakh

(a) Equity Share Capital

For the year ended 31 March 2017

Balance at the beginning of the reporting period	Changes in equity share capital	Balance as at 31 March 2017
2,000	-	2,000

For the year ended 31 March 2016

Balance at the beginning of the reporting period	Changes in equity share capital	Balance as at 31 March 2016
2,000	-	2,000

(b) Other Equity

For the year ended 31 March 2017

	Reserves & Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained Earnings	
Balance as at 31 March 2016	61.89	21,079.38	236.95	21,378.22
Profit for the year			7,643.54	7,643.54
Other comprehensive Income				-
Total Comprehensive Income	-	-	7,643.54	7,643.54
Adjustment during the year				
Transfer to Retained earnings	(61.89)			(61.89)
Transfer from Retained earnings	11.14	7,900.00		7,911.14
Transfer to CSR reserve			(11.14)	(11.14)
Transfer from CSR reserve			61.89	61.89
Transfer to general reserve			(7,900.00)	(7,900.00)
Interim Dividend				-
Tax on interim dividend				-
Balance as at 31 March 2017	11.14	28,979.38	31.24	29,021.76

For the year ended 31 March 2016

	Reserves & Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained Earnings	
Balance as at 31 March 2015	62.14	18,479.38	48.06	18,589.58
Profit for the year			5,195.79	5,195.79
Other comprehensive Income				-
Total Comprehensive Income			5,195.79	5,195.79
Adjustment during the year				
Transfer to Retained earnings	(62.14)			(62.14)
Transfer from Retained earnings	61.89	2,600.00		2,661.89
Transfer to CSR reserve			(61.89)	(61.89)
Transfer from CSR reserve			62.14	62.14
Transfer to general reserve			(2,600.00)	(2,600.00)
Interim Dividend			(2,000.00)	(2,000.00)
Tax on interim dividend			(407.15)	(407.15)
Balance as at 31 March 2016	61.89	21,079.38	236.95	21,378.22

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Significant Accounting Policies and Companies information for FY 2016-17

1. Company Information and Significant Accounting Policies

A. Reporting entity

NTPC Vidyut Vyapar Nigam Limited (the "Company") is a public limited company domiciled in India and limited by shares (CIN: U40108DL2002GOI117584). The address of the Company's registered office is NTPC Bhawan, Core-7, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi -110003. The Company is primarily engaged in the trading of power within the country and some of its neighboring countries.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern and accrual basis of accounting and comply in all material aspects 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) and the provisions of the Electricity Act, 2003 to the extent applicable. These are the Company's first Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

For all the periods upto and including 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz. 1 April 2015. Someof the Company's Ind AS accounting policies used in the opening Balance Sheet are different from its previous GAAP policies applied as at 31 March 2015, and accordingly the adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2015. This is the effect of the general rule of Ind AS 101 which is to apply Ind AS retrospectively.

An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 31.

These financial statements were authorized for issue by Board of Directors on 18th May, 2017.

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

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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The methods used to measure fair values are discussed further in notes to financial statements..

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- 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 12 months after the reporting period.

All other liabilities are classified as non-current.

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

C. Significant accounting policies

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

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

Items of property, plant and equipment are measured 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.

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

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.

1.2. Derecognition

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

1.3. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over theuseful life specified in Schedule II of the Companies Act, 2013.

Depreciation on additions to/deductions from property, plant & equipmentduring 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.

2. Intangible assets

Amortisation

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.

3. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and 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.

4. Provisions and contingent liabilities

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-taxrate 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 cost.

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

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

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

5. Revenue

Company's revenues arise from trading of power and other income. Revenue from sale of energy is based on the rates agreed with the customers. In case of National Solar Mission revenue from sale of energy is as per the directive/guideline of GOI. Revenue from other income comprises interest from banks, surcharge received from customers for delayed payments, management fee, sale of asset, other miscellaneous income including liquidated damages recovered, etc.

5.1 Revenue from sale of energy

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

Revenue from sale of energy is recognized once the electricity has been delivered to the customer. Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue.

Revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the customers. Part of revenue from sale of energy is based onthe directive/guideline of GOI under the National Solar Mission Phase I and commission on trading of power through power exchange as agreed with the clients.

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

5.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists.

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

Management Fees as per directive of GOI or as agreed with the client.

6. Other expenses

Purchase of energy is recognized at the rates contracted based on the REA issued by respective RPC.

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

Rebate received from vendors/suppliers for making early payment is shown as reduction from purchase of energy

7. Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

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

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

8. Leases

Accounting of 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 over the lease term.

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9. **Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded by the company at the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and foreign currency at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and foreign currency at the date of transaction Exchange differences arising on settlement or translation of monetary items are recognized in Statement of profit and loss in the year in which it arises. At every reporting date foreign currency monetary items shall be translated using the closing rate

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

a) **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.

i) **Financial assets**

Initial recognition and measurement

As per Ind AS 109, all financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement- Financial assets at amortised cost

A 'financial asset' is measured at the amortised 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 (as opposed to an objective of realising fair Value through sale) (the business model test), and

(b) Contractual cash flows are solely payments of principal and interest (SPPI) on the principal, where interest is the compensation for time value of money and credit risk (the contractual cash flows characteristics test).

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at FVTOCI (Fair Value through OCI) –

A '**financial asset**' is classified as at the FVTOCI if both of the following criteria are met:

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

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(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 (the contractual cash flows characteristics test).

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 other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Asset at FVTPL (Fair Value through Profit or Loss) –

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

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 amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Trade receivables under Ind-AS 18.

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.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables.

Subsequent measurement

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

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Financial Liabilities at amortized cost

After initial measurement, such financial liabilities 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 EIR. This category generally applies to trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial liability is derecognised 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 recognised in the statement of profit and loss.

10. Dividends

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

11. 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.

12. 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.

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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.

13. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

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 and 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 recognized 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 recognized in the financial statements is as under:

1. Revenue

The Company records revenue from sale of energy based on as per contracts or as per directive/ guideline of GOI. Any change in the directive of GOI may have a material impact on the revenue of the Company.

2. 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.

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

2. Property, plant and equipment

₹ Lakh

As at 31 March 2017

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block	
	As at 01.04.2016	Additions	Deductions/ Adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Furniture and fixtures	8.05	-	-	8.05	1.37	1.33	-	2.70	5.35	6.68
Office equipment	3.79	3.03	-	6.82	0.79	1.22	-	2.01	4.81	3.00
EDP, WP machines and satcom equipment	14.29	-	4.15	10.14	7.65	3.81	3.40	8.06	2.08	6.64
Communication equipments	0.96	-	-	0.96	0.07	0.07	-	0.14	0.82	0.89
Total	27.09	3.03	4.15	25.97	9.88	6.43	3.40	12.91	13.06	17.21

As at 31 March 2016

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block	
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Furniture and fixtures	8.05	-	-	8.05	-	1.37	-	1.37	6.68	8.05
Office equipment	1.51	2.30	0.02	3.79	-	0.79	-	0.79	3.00	1.51
EDP, WP machines and satcom equipment	14.22	0.27	0.20	14.29	-	7.65	-	7.65	6.64	14.22
Communication equipments	0.96	-	-	0.96	-	0.07	-	0.07	0.89	0.96
Total	24.74	2.57	0.22	27.09	-	9.88	-	9.88	17.21	24.74

Intangible assets

As at 31 March 2017

Particulars	Gross Block				Amortisation				Net Block	
	As at 01.04.2016	Additions	Deductions/ Adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Software	7.69	-	-	7.69	3.19	3.18	-	6.37	1.32	4.50
Total	7.69	-	-	7.69	3.19	3.18	-	6.37	1.32	4.50

As at 31 March 2016

Particulars	Gross Block				Amortisation				Net Block	
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Software	7.69	-	-	7.69	-	3.19	-	3.19	4.50	7.69
Total	7.69	-	-	7.69	-	3.19	-	3.19	4.50	7.69

Information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

Particulars	Gross block as at 01.04.2015	Accumulated depreciation as at 01.04.2015	Net Block as at 01.04.2015	Ind AS adjustments as at 01.04.2015	Opening balance as at 01.04.2015
Furniture and fixtures	12.23	4.18	8.05	-	8.05
Office equipment	5.73	4.22	1.51	-	1.51
EDP, WP machines and satcom equipment	45.11	30.89	14.22	-	14.22
Communication equipments	1.11	0.15	0.96	-	0.96
Software	12.07	4.38	7.69	-	7.69
	76.25	43.82	32.43	-	32.43

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3. Capital work-in-progress

₹ Lakh

Particulars	As at 01.04.2016	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2017
EDP/WP machines & satcom equipment	3.41	-	-	-	3.41
Less : Provision for unserviceable CWIP	-	3.41	-	-	3.41
Total	3.41	(3.41)	-	-	-

₹ Lakh

Particulars	As at 01.04.2015	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2016
EDP/WP machines & satcom equipment	3.41	-	-	-	3.41
Total	3.41	-	-	-	3.41

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4. Deferred tax Assets & Liabilities

₹ Lakh

Particulars	As at 01.04.2016	Additions/ (Adjustments) during the year	As at 31.03.2017
Deferred tax liability			
- Difference in book depreciation and tax depreciation	0.65	(1.87)	(1.22)
- Accrued rebate allowed to beneficiaries	137.11	(137.11)	
Total deferred tax liability (A)	137.76	(138.98)	(1.22)
Deferred tax asset			
- Provisions & other disallowances for tax purposes	0.77	3.03	3.80
- Accrued rebate earned	50.36	(50.36)	
Total deferred tax asset (B)	51.13	(47.33)	3.80
Net deferred tax liability (A-B)	86.63	(91.65)	(5.02)

₹ Lakh

Particulars	As at 01.04.2015	Additions/ (Adjustments) during the year	As at 31.03.2016
Deferred tax liability			
- Difference in book depreciation and tax depreciation	2.59	(1.94)	0.65
- Accrued rebate earned		137.11	137.11
Total deferred tax liability (A)	2.59	135.17	137.76
Deferred tax asset			
- Provisions & other disallowances for tax purposes	0.76	0.01	0.77
- Accrued rebate expenses		50.36	50.36
Total deferred tax asset (B)	0.76	50.37	51.13
Net deferred tax liability (A-B)	1.83	84.80	86.63

- The net changes in deferred tax has been credited to Profit & Loss account.
- Deferred tax assets and deferred tax liability has been offset as they relate to the same governing law.

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5. Other non current assets (Considered good, unless otherwise stated)

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deposits			
Deposit with Sales tax Authority	0.50	0.50	0.50
Advances			
Advance tax & tax deducted at source	11,771.55	13,169.06	10,413.38
Less: Provision for tax	9,044.76	10,278.00	7,523.02
	2,726.79	2,891.06	2,890.36
Total	2,727.29	2,891.56	2,890.86

6. Trade receivables

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good	53,970.29	55,874.67	48,583.95
Considered doubtful	2.23	2.23	2.23
	53,972.52	55,876.90	48,586.18
Less: Allowance for bad & doubtful receivables	2.23	2.23	2.23
Total	53,970.29	55,874.67	48,583.95

Unbilled revenues of ₹52402.93 Lakh (₹32522.29 Lakh as on 31.03.2016 & ₹28874.48 Lakh as on 01.04.2015) is stated in Note 9.

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7. Cash and cash equivalents

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balances with banks			
Current accounts	18,379.80	2,435.13	3,142.20
	18,379.80	2,435.13	3,142.20

8. Other bank balances

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deposits with original maturity of more than three months and maturing within one year (incl. accrued interest)	14,943.76	29,682.08	15,939.68
Earmarked balances with banks #	1,475.23	1,368.24	16,954.87
Total	16,418.99	31,050.32	32,894.55
# **Not available for use to the Company and include:**			
Term deposit as security with Sales Tax Authorities	0.25	0.25	0.25
Term deposits Fly Ash Utilisation Fund	-	-	15,711.39
Term Deposit as per the directive from the Hon'ble High Court of Delhi	1,474.98	1,367.99	1,243.23
	1,475.23	1,368.24	16,954.87

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9. Other current financial assets

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advances			
Others			
Unsecured	14.32	17.40	4.29
Deposits *			
Others			
Unsecured	103.93	233.62	38.00
	118.25	251.02	42.29
Unbilled revenue #	52,402.93	32,522.29	28,874.48
Total	52,521.18	32,773.31	28,916.77

* Deposits include margin money with Indian Energy Exchange (IEX) & Power Exchange of India Ltd. (PXIL).

\# Unbilled revenues are for sale of energy for which the bills have been raised to customers subsequent to the reporting date.

10. Other current assets

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Others			
Unsecured	254.43	404.50	118.31
Less: Provision for Doubtful advances	5.34	-	-
	249.09	404.50	118.31
Assets held for disposal	0.76	0.76	0.76
Total	249.85	405.26	119.07

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11. Share capital

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Equity share capital			
Authorised			
2,00,00,000 shares of par value of ₹10/- each (Previous year 2,00,00,000 shares of par value of ₹10/- each)	**2,000.00**	2,000.00	2,000.00
Issued, subscribed and fully paid up			
2,00,00,000 shares of par value of ₹10/- each (Previous year 2,00,00,000 shares of par value of ₹10/- each)	**2,000.00**	2,000.00	2,000.00

a) During the period, the company has not issued/bought back any equity shares.

b) The company has only one class of equity shares having par value of ₹10/- each.

c) 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 shareholding at the meetings of its shareholders subject to approval of the shareholders.

d) Dividends:

	Paid during the year	
	2016-17	2015-16
Interim dividend for the year ended 31st March 2016 (₹10/- per equity share of par value ₹10/- each)	-	2,000.00
Interim dividend for the year ended 31st March 2017	-	-

e) Details of shareholders holding more than 5% shares in the company:

Particulars	31.03.2017		31.03.2016		01.04.2015	
	No. of shares	**%age holdings**	No. of shares	%age holdings	No. of shares	%age holdings
NTPC Limited and its nominees	**20,000,000**	**100**	20,000,000	100	20,000,000	100

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12. Other equity

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Corporate social responsibility (CSR) reserve			
As per last financial statements	61.89	62.14	-
Add : Transfer from surplus	11.14	61.89	62.14
Less: Transfer to surplus	61.89	62.14	-
	11.14	61.89	62.14
General reserve			
As per last financial statements	21,079.38	18,479.38	16,579.38
Add : Transfer from surplus	7,900.00	2,600.00	1,900.00
Less: Adjustments during the year	-	-	-
	28,979.38	21,079.38	18,479.38
Retained earnings			
As per last financial statements	236.95	48.06	48.94
Add: Profit for the year as per Statement of Profit and Loss	7,643.54	5,195.79	4,361.14
Transfer from CSR reserve	61.89	62.14	-
Less Transfer to CSR Reserve	11.14	61.89	62.14
Transfer to general reserve	7,900.00	2,600.00	1,900.00
Interim dividend	-	2,000.00	2,000.00
Tax on interimdividend	-	407.15	399.88
	31.24	236.95	48.06
Total	29,021.76	21,378.22	18,589.58

In terms of Section 135 of the Companies Act, 2013 read with guidelines on Corporate Social Responsibility issued by Department of Public Enterprise (DPE) GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The company has spent an amount of ₹207.77 Lakh during the year and unspent balance amounting to ₹11.14 Lakh has been appropriated to CSR reserve from surplus (refer note no. 34).

13. Trade payables

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
For goods and services	85,087.79	64,303.23	53,782.83

Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 33.

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14. Other financial liabilities (Current)

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Payable for capital expenditure	3.41	3.41	3.41
Other payables			
Deposits from contractors and others	37.87	94.60	30.25
Payable to holding company	322.22	261.55	18,154.01
Payable to employees	88.38	105.14	111.90
Retention on A/c BG encashment (Solar)	23,362.24	18,764.91	19,911.86
Payable to Solar Payment Security Account	187.52	12,431.75	1,767.30
Others	1,505.83	1,401.31	1,289.18
Total	25,507.47	33,062.67	41,267.91

a) Other payables-Retention on A/c BG encashment (solar) comprises of:

For the year 2016-17

Particulars	As at 01.04.2016	For the year ended 31.03.2017	As at 31.03.2017
Amount received as liquidated damages on late commissioning of solar power plants	19,295.89	5,195.25	24,491.14
Add: Interest accrued on above (Note 16)	1,818.91	-	1,818.91
Less: Legal expenses	634.34	481.23	1,115.57
Less: Liability on a/c of arbitration cases where award has been pronounced	1,715.55	116.69	1,832.24
Net Balance- Retention on A/c BG encashment (Solar)	18,764.91	4,597.33	23,362.24

For the year 2015-16

Particulars	As at 01.04.2015	For the year ended 31.03.2016	As at 31.03.2016
Amount received as liquidated damages on late commissioning of solar power plants	18,407.19	888.70	19,295.89
Add: Interest accrued on above (Note 16)	1,818.91	-	1,818.91
Less: Legal expenses	314.24	320.10	634.34
Less: Liability on a/c of arbitration cases where award has been pronounced		1,715.55	1,715.55
Net Balance- Retention on A/c BG encashment (Solar)	19,911.86	(1,146.95)	18,764.91

-The above treatment in "Retention on A/c BG encashment (Solar)" is made as per the directions received from the Ministry of New and Renewable Energy (MNRE) vide letter ref. no. 29/5/2010-11/JNNSM(ST) dated 29.06.2012 and clarifications thereafter.

-The Company utilised ₹ 23362.24 Lakh from "Retention on A/c BG encashment (Solar)" for non payment of dues by its customers under JNNSM scheme.

b) Other payables - Payable to Solar Payment Security Account : Upto current year, the company has withdrawn an amount of ₹ 187.52 Lakh (other than SPSA Management Fees @ 1% recoverable) on account of default by its customers from Solar Payment Security Account as per the directions received from the Ministry of New and Renewable Energy (MNRE).

c) Other payables - Others include the amount received on encashment of the Bank Guarantee of ₹950.65 Lakh on 02.11.2011 invested in Fixed Deposit as per the directive from the Hon'ble High Court of Delhi till the matter is settled through Arbitration. Further, interest accrued thereon upto current year amounting to ₹555.18 Lakh (₹450.66 Lakh upto 31.03.2016 & ₹338.53 Lakh upto 01.04.2015) also stands credited in the said account.

d) Considering the directions received from MNRE and opinion of the tax consultant, there is a transfer of proceeds from BG encashment by overriding effect because the proceeds from BG encashment do not belong to the company since it has to be used for specified purposes and there will be no tax liability.

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15. Other current liabilities

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advances from customers and others	134.34	54.74	15.62
Other payables			
Tax deducted at source and other statutory dues	274.09	153.74	410.55
Total	408.43	208.48	426.17

16. Provisions

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for			
Interim Dividend	-	2,000.00	-
Tax on interim Dividend	-	407.15	399.88
Arbitration Cases	1,832.24	1,715.55	-
Total	1,832.24	4,122.70	399.88

17. Current tax liabilities (net)

₹ Lakh

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Current Tax	429.11	293.44	115.04

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18. Revenue from operations

₹ Lakh

Particulars		For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from operations			
Sale of energy	526,811.43		405,306.80
Less: Rebate to beneficiaries	4,886.52		3,456.05
		521924.91	401,850.75
Commission		459.40	151.72
Total		522,384.31	402,002.47

a) Sale of bilateral energy and energy under SWAP arrangements in million units (MUs) are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Sale of bilateral energy includes compensation received of ₹ **164.48 Lakh** (previous period ₹ 93.9 Lakh) due to lesser supply/drawl of power by the supplier/buyers and open access charges on energy trading borne by the company.

c) Sale of Solar and thermal bundled energy in million units are recognized on the basis of monthly Joint meter reading (JMR)/Regional Energy Account (REA) issued by the concerned authorities.

d) Sale of energy under Swap arrangements is billed by margin only to buyers.

e) Commission on energy trading through exchange recognised as agreed with the client.

19. Other income

₹ Lakh

Particulars		For the year ended 31.03.2017	For the year ended 31.03.2016
Interest from		3.58	-
Loan to employees			1,399.00
Deposits with banks/Reserve Bank of India	639.43		255.75
Less : Transferred to Holding Co. (Note 14)*	-	639.43	1,143.25
Other non-operating income		2,775.53	730.27
Surcharge received from customers		241.15	120.69
Management Fee		71.88	98.68
Miscellaneous income #		-	0.03
Profit on disposal of fixed assets		3,731.57	2,092.92
Total			
		-	167.24

* Amount transferred (net of tax)

Miscellaneous income includes sundry balance written back, liquidated damages recovered etc.

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20. Purchase of Energy

₹ Lakh

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Purchase of energy	**518,653.46**	398,780.47
Less: Rebate to Sellers	**7,498.13**	5,106.38
Total	**511,155.33**	393,674.09

a) Purchase of energy in million units (MUs) are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Bilateral energy purchase includes compensation payment of ₹ **164.48 Lakh** (previous year ₹ 89.76 Lakh) due to lesser supply/drawl of power by the Company.

c) Purchase of Solar and thermal bundled energy in million units are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

21. Employee benefits expense

₹ Lakh

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries and wages	**1,103.18**	1,058.19
Contribution to provident and other funds	**269.80**	269.82
Staff welfare expenses	**85.14**	69.35
Total	**1,458.12**	1,397.36

a) All the employees of the Company are on secondment from NTPC Limited. Pay, allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with NTPC Ltd. As per the agreement, amount equivalent to a fixed percentage of basic & DA of the seconded employees is payable by the company for employee benefits such as provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

b) An amount of ₹**202.79 Lakh** (previous year ₹201.39 Lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹**67.01 Lakh** (previous year ₹68.43 Lakh) towards leave & other benefits are paid/ payable to the holding Company and are included under Employee benefits.

c) The pay revision of the employees of the company is due w.e.f. 1st January 2017. Pending decision of the committee formed by GOI, a provision of ₹66.19 Lakh has been made on estimated basis as apportioned by the Holding company i.e. NTPC Ltd.

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22. Finance costs

₹ Lakh

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest paid		
Income Tax	62.51	5.23
SPSA account	470.39	-
Others	0.05	-
Total	532.95	5.23

23. Other expenses

₹ Lakh

Particulars		For the year ended 31.03.2017	For the year ended 31.03.2016
Power charges		19.14	18.31
Rent		499.19	464.18
Repairs & maintenance			
Buildings	16.09		24.53
Others	1.65		1.41
		17.74	25.94
Insurance		0.01	0.03
Rates and taxes		40.00	40.00
Training & recruitment expenses		0.06	0.94
Communication expenses		30.54	25.37
Travelling expenses		71.55	96.36
Tender expenses	93.10		8.72
Less: Receipt from sale of tenders	0.90		-
		92.20	8.72
Payment to auditors		3.45	1.71
Entertainment expenses		10.95	12.08
Brokerage & commission			0.14
Corporate Social Responsibility (CSR) Expenses		207.78	147.25
Books and periodicals		0.34	0.22
Professional charges and consultancy fee		71.77	36.77
Surcharge expenses		0.47	0.00
Legal expenses		0.29	24.27
EDP hire and other charges		0.79	1.1
Printing and stationery		0.92	1.65
Hiring of vehicles		1.59	2.99
Bank charges/LC Charges		19.88	41.8
Miscellaneous expenses		31.15	29.14
		1,119.81	978.97
Provision for advance		5.34	-
Provision for unserviceable CWIP		3.41	-
Total		1,128.56	978.97

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24 a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. In addition, reconciliation with beneficiaries and other customers is generally done on a regular interval and therefore separate balance confirmation not required. For trade payables/loans/advances, balance confirmation letters were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

25 **Disclosure as per Ind AS 12 'Income taxes'**

(a) Income tax expense

₹ Lakh

i) Income tax recognised in Statement of Profit and Loss	**31 March 2017**	**31 March 2016**
Current tax expense		
Current year	4279.65	2746.08
Adjustment for prior periods	(0.23)	-
Deferred tax expense		
Origination and reversal of temporary differences	(91.65)	84.80
Total income tax expense	4187.77	2830.88
ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Profit before tax	11831.31	8026.67
Tax using the Company's domestic tax rate of 34.61% (31 March 2016 - 34.61%)	4094.58	2777.87
Tax effect of:		
Non-deductible tax expenses	93.42	53.01
Others	(0.23)	-
Total tax expense in the statement of profit & loss	4187.77	2830.88

26 **Disclosure as per Ind AS 17 'Leases'**

The Company's significant leasing arrangement are in respect of operating leases of the premises for residential use of the employees amounting to ₹37.87 Lakh (Previous period ₹44.92 Lakh) and are included in Note 21-"Employees Benefits Expense". Similarly, lease payments in respect of premises for offices amounting to ₹499.19 Lakh (Previous period ₹464.18 Lakh) are shown in Rent in Note 23 -"Other Expenses". The significant leasing arrangements for such leases are entered into by the Company and its Holding Company i.e. NTPC Limited and these leasing arrangements are usually renewable on mutually agreed terms but are not non-cancelable.

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27 **Disclosure as per Ind AS 24 'Related Party Disclosures'**

List of Related parties:

i) Holding Company - NTPC Ltd.

ii) Joint Venture company of NTPC Ltd.:

Utility Powertech Ltd.
NTPC-SAIL Power Company Pvt. Ltd.
Aravali Power Company Pvt. Ltd.

iii) Key Management Personnel (KMP)

Shri Gurdeep Singh - Chairman
Shri A. K. Jha - Director
Shri K. Biswal - Director
Shri K. K. Sharma - Director
Ms. A. Satyabhama - Director
Shri N. K. Sharma - CEO - upto 30.09.2016
Shri A. K. Garg - CEO - w.e.f. 01.10.2016
Ms. Alka Saigal - CFO
Shri Nitin Mehra - Company Secretary

Transactions with the related parties are as follows:

₹ Lakh

Holding Company and Joint Venture Companies of Holding Company		
Particulars	**2016-17**	**2015-16**
Contracts for services received from JV of holding company	55.04	49.00
Purchase of goods from holding company	207,367.32	181,290.92
Purchase of goods from JV of holding company	3,206.58	-
Dividend paid to holding company	-	2,000.00

₹ Lakh

	2016-17	**2015-16**
Compensation to Key management personnel		
- Short term employee benefits	75.45	87.98
- Post employment benefits	1.91	4.83
- Other long term benefits	17.27	16.52
- Termination benefits	27.01	-
Total Compensation to Key management personnel	121.64	109.33

₹ Lakh

Outstanding balances with related parties are as follows:

	31 March 2017	31 March 2016	1 April 2015
Utility Powertech Ltd.	4.93	21.45	16.32
NTPC Ltd.	23372.46	34,262.49	38,887.84
NTPC-SAIL Power Company Pvt. Ltd. *	592.62	-	-
Aravali Power Company Pvt. Ltd. *	73.84	-	-

* Payable towards exchange transaction

The company's management is of the opinion that its domestic transactions with related parties are at arms length and will not have any impact on financial statements for the year ended 31.03.2017.

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

28 Disclosure as per Ind AS 33 'Earnings per Share'

The elements considered for calculation of Earning Per Share (Basic and Diluted) are as under:

	Year ended 31.03.2017	Year ended 31.03.2016
Net profit/(loss) after Tax used as numerator(₹Lakh)	7643.54	5195.79
Weighted average number of equity shares used as denominator	20000000	20000000
Earning per share (Basic & Diluted)-(₹)	38.22	25.98
Face Value per share-(₹)	10.00	10.00

29 Disclosure as per Ind AS 36 'Impairment of Assets'

There are no external/internal indicators which leads to any impairment of assets of the company as required by Ind AS 36 'Impairment of Assets'.

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

₹ Lakh

Movements in provisions:

Particulars	Provision for arbitration cases		Provision for doubtful debts		Provision for doubtful advances		Provision for unserviceable CWIP	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Carrying amount at the beginning of the year	1,715.55	-	2.23	2.23	-	-	-	-
Additions during the year	116.69	1,715.55	-	-	5.34	-	3.41	-
Amounts used during the year	-	-	-	-	-	-	-	-
Reversal / adjustments during the year	-	-	-	-	-	-	-	-
Carrying amount at the end of the year	1,832.24	1,715.55	2.23	2.23	5.34	-	3.41	-

Contingent Liability:

a) -Various solar power developers challenged the encashment/ forfeiture of EMD/Bid bond under provisions of PPA before arbitrator/High Courts. The contingent liability of ₹ **23469.84 Lakh** and interest claim of ₹ **14789.89 Lakh** thereon (31st March 2016:contingent liability ₹ 23469.84 Lakh and interest ₹ 8958.78 Lakh, 1st April 2015: contingent liability ₹ 22100.23 Lakh and interest ₹ 6206.57 Lakh) has been estimated. Any possible liability crystalised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 14).

b) -One party has challenged the invocation of BG of ₹ **100.00 Lakh** on the ground of non conclusion of contract with the company for Ash Business. Interest on above has been estimated till current year ₹ **99.57 Lakh** (31st March 2016: ₹ 77.08 Lakh, 1st April 2015: ₹ 63.52 Lakh).

c) - 3.84 Million units supplied by the sellers under SWAP arrangements are yet to be returned - Amount uncertainable.

31 First-time Adoption of Ind AS

These are the Company's first Financial Statements in accordance with Ind AS. For the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2015 (the date of transition to Ind AS).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2015 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2017, the date of first-time preparation of Financial Statements according to Ind AS.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2015 compared with those presented in the opening Indian GAAP Balance Sheet as of 31 March 2015, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

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NTPC VIDYUT VYAPAR NIGAM LIMITED

Exemption and exceptions availed

In the Ind AS Opening Balance Sheet as at 1 April 2015, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2015 are generally recognized and measured according to Ind AS in effect as on 31 March 2017. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

Tangible & Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its tangible and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Reconciliation of equity as at 1 April 2015 and as at 31 March 2016

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2015 compared with those presented in the Indian GAAP Balance Sheet as of 31 March 2015, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

₹ Lakh

	1 April 2015			31 March 2016		
	Previous GAAP*	**Adjustments**	**Ind ASs**	**Previous GAAP***	**Adjustments**	**Ind ASs**
ASSETS						
Non-current assets						
Property, plant and equipment	24.74	-	24.74	17.21	-	17.21
Capital work-in-progress	3.41	-	3.41	3.41	-	3.41
Intangible assets	7.69	-	7.69	4.50	-	4.50
Other financial assets						
Deferred tax Asset (net)	-		-	0.12	(0.12)	-
Other non-current assets	2,915.86	(25.00)	2,890.86	2,926.56	(35.00)	2,891.56
Current Assets						
Financial assets						
Trade receivables	48,583.95	-	48,583.95	56,020.18	(145.51)	55,874.67
Cash and cash equivalents	34,743.91	(31,601.71)	3,142.20	33,371.72	(30,936.59)	2,435.13
Other bank balances	-	32,894.55	32,894.55	-	31,050.32	31,050.32
Other financial assets	106.58	28,810.19	28,916.77	221.35	32,551.96	32,773.31
Other current assets	30,197.10	(30,078.03)	119.07	33,035.94	(32,630.68)	405.26
Total Assets	116,583.24	-	116,583.24	125,600.99	(145.62)	125,455.37
EQUITY & LIABILITIES						
Equity						
Equity Share capital	2,000.00	-	2,000.00	2,000.00	-	2,000.00
Other equity	18,589.58	-	18,589.58	21,214.28	163.94	21,378.22
Liabilities						
Non-current liabilities						
Deferred tax liabilities (Net)	1.83	-	1.83	-	86.63	86.63
Current liabilities						
Financial liabilities						
Trade payables	53,045.73	737.10	53,782.83	63,833.16	470.07	64,303.23
Other financial liabilities	-	41,267.91	41,267.91	-	33,062.67	33,062.67
Other current liabilities	42,431.18	(42,005.01)	426.17	34,137.41	(33,928.93)	208.48
Provisions	514.92	(115.04)	399.88	4,416.14	(293.44)	4,122.70
Current Tax Liabilities (Net)		115.04	115.04	-	293.44	293.44
Total equity and liabilities	116,583.24	-	116,583.24	125,600.99	(145.62)	125,455.37

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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NTPC VIDYUT VYAPAR NIGAM LIMITED

Reconciliation of total comprehensive income for the year ended 31 March 2016

₹ Lakh

	Previous GAAP*	Adjustments	Ind ASs
INCOME			
Revenue	410,168.71	(8,166.24)	402,002.47
Other income	2,092.92	-	2,092.92
Total Income	**412,261.63**	**(8,166.24)**	**404,095.39**
EXPENDITURE			
Purchase of energy	398,780.47	(5,106.38)	393,674.09
Rebate on energy sale	3,310.54	(3,310.54)	-
Employee benefits expense	1,397.36	-	1,397.36
Finance expenses	5.23	-	5.23
Depreciation and amortization	13.07	-	13.07
Generation, Administration and Other expenses	978.97	-	978.97
Total Expenses	**404,485.64**	**(8,416.92)**	**396,068.72**
Profit before tax and Rate Regulated Activities(RRA)	7,775.99	250.68	8,026.67
Current tax			
Current year	2,746.08	-	2,746.08
Deferred tax	(1.95)	86.75	84.80
	2,744.13	86.75	2,830.88
Profit after tax	**5,031.86**	**163.93**	**5,195.79**
Total comprehensive income for the year	**5,031.86**	**163.93**	**5,195.79**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

₹ Lakh

	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP	23,214.28	20,589.58
Adjustments:		
Provision of rebate to customers & sellers (net)	250.69	-
Tax effect of above adjustments	(86.75)	-
Total adjustments	163.94	-
Total equity as per Ind AS	**23,378.22**	**20,589.58**

Reconciliation of total comprehensive income for the year ended 31 March 2016

₹ Lakh

	31 March 2016
Profit after tax as per previous GAAP	5,031.86
Adjustments:	
Provision of rebate to customers & sellers (net)	250.69
Tax effect of above adjustments	(86.75)
Total adjustments	163.94
Profit after tax as per Ind AS	5,195.80
Other comprehensive income (net of tax):	5,195.80
Total comprehensive income as per Ind AS	5,195.80

32 **Disclosure as per Ind AS 108 'Operating segments'**

As on date the Company has no reportable segments as per the Chief operating decision maker (CODM) of the company.

The Company has not disclosed geographical segments as operations of the Company are mainly carried out within the country.

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33 Information in respect of micro and small enterprises as at 31 March 2017 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ Lakh

	Particulars	31 March 2017	31 March 2016	1 April 2015
a)	Amount remaining unpaid to any supplier:			
	Principal amount	0.12	-	-
	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	-	-	-

34 **Corporate Social Responsibility Expenses (CSR)**

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

₹ Lakh

Particulars	31 March 2017	31 March 2016
A. Amount required to be spent during the year	157.02	147.00
B. Shortfall amount of previous year	61.89	62.14
C. Total (A+B)	218.91	209.14
D. Amount spent during the year on-(in collaboration with NTPC)		
- Construction/ acquisition of any asset	136.27	138.33
- On purposes other than (i) above	71.50	8.92
Total	207.77	147.25
Shortfall amount appropriated to CSR reserve	11.14	61.89

Break-up of the CSR expenses under major heads is as under:

₹ Lakh

Particulars	31 Mrach 2017	31 Mrach 2016
1. Swachh Vidyalaya Abhiyan		
2. Healthcare and sanitation	-	107.22
3. Education and skill development	-	8.92
4. Rural development	103.05	9.11
5. Environment	53.18	-
6. Drinking water	51.54	22.00
Total	207.77	147.25

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NTPC VIDYUT VYAPAR NIGAM LIMITED

35 Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

36 **Financial Risk Management**

Credit risk

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

Trade receivables

Trade receivables of the company can be dividedinto two parts- solar debtors & non-solar debtors. Payment from non-solar debtors are regular whereas in solar debtors there are some disputes with one of the beneficiary.

The ageing analysis of the trade receivables is as below:

As on 31.03.2017 ₹ Lakh

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	956.54	9712.96	18878.28	1419.38	5339.89	17663.25	53,970.29

As on 31.03.2016 ₹ Lakh

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	3455.11	15181.82	18719.51	77.58	2921.93	15518.72	55874.67

As on 01.04.2015 ₹ Lakh

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	5775.72	15953.08	12414.98	195.19	291.15	13953.83	48583.95

Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹ **14943.76 Lakh** (31 March 2016: ₹ 29682.08 Lakh, 1 April 2015: ₹ 15939.68 Lakh). In order to manage the risk, company accepts only high rated banks/institutions.

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 nil.

37 Figures in the Financial Statements have been rounded off to Rs./Lakh upto two decimal.

38 Previous year figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

(Nitin Mehra) Company Secretary	(Alka Saigal) CFO	(A.K. Garg) CEO	(K. Biswal) Director	(Gurdeep Singh) Chairman

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

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Naveen Aggarwal)
Partner (M.No.94380)

Place: New Delhi
Dated: 18/05/17

S S KOTHARI MEHTA & CO
CHARTERED ACCOUNTANTS

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Independent Auditors Report
To the Members of NTPC Vidyut Vyapar Nigam Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of NTPC Vidyut Vyapar Nigam Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, Statement of Profit and Loss (including other comprehensive income) and the statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

Management's Responsibility for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013("Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

Auditor's Responsibility

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

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

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

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 including the Ind AS. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017.In the case of the Profit and Loss including other comprehensive income, of the profit for the year ended on that date,In the case of the Cash Flow Statement, of the cash flows and the changes in equity for the year ended on that date.

Report on Legal and Other Regulatory Requirements

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

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 information and explanation given to us, in the "Annexure B" 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 flows and the statements of change in equity dealt with by this Report are in agreement with the books of account;

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(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Except IND AS-105

(e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5 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 our separate report in "Annexure C"; and

(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 Ind AS financial statements- Refer note 30 to the Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

(iv) The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the Ind AS financial statements.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Naveen Aggarwal)
Partner
Membership Number: 094380

Place: New Delhi
Date: 18/05/17

Annexure - A to the Independent Auditor's Report

The Annexure as referred in Paragraph (1) 'Report on Legal and Other Regulatory Requirements of our Independent Auditors' Report to the members of NTPC Vidyut Vyapar Limited on the Ind AS financial statements for the year ended 31 March 2017, we report that:

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

(b) There is a regular programme of physical verification of all fixed assets over a period of two years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) There is no immovable property in the name of the Company, therefore clause 3(i)(c) of "the Order" is not applicable to the Company.

(ii) There is no inventory in the company during the year under audit. Thus, paragraph 3(ii) of "the Order" is not applicable to the Company.

(iii) The Company has not granted any loans secured or unsecured to any Company, firm or other party listed in the register maintained under Section 189 of the Companies Act, 2013.

Accordingly 3(iii)(a), clause 3(iii)(b) and clause 3(iii)(c) are not applicable to the company.

(iv) The Company has not made any loan, investments, guarantees and security under provisions of section 185 and 186 of the Companies Act, 2013.

Accordingly clause 3(iv) of "the Order" is not applicable to the Company.

(v) The Company has not accepted any deposits from the public therefore provision of Section 73-76 of Companies Act 2013 is not applicable to the Company. Accordingly provision of clause 3(v) of "the Order" is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost accounts and records under section 148 of the Companies Act, 2013.Accordingly clause 3(vi) of the order is not applicable to the company.

(vii) (a) The employees of the company are on secondment basis from its holding company i.e. NTPC Ltd. As explained to us, the holding company is regular in depositing undisputed statutory dues including provident fund, employee state insurance etc. According to the information and explanation given to us, according to the records of the company income tax, sales tax and service tax are

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

being deposited by the company on regular basis with the appropriate authority during the year. Duty of customs, duty of excise, value added tax, cess and other related statues are not applicable to the company. According to the information and explanations given to us, there are no undisputed provident fund, income tax, sales tax & service tax in arrear as at 31st March, 2017 for a period of more than six month from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax and service tax which have not been deposited on account of any dispute. Duty of customs, duty of excise, value added tax, cess and other related statues are not applicable to the Company.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly paragraph 3 (viii) of "the Order" is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of "the Order" is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly paragraph 3(ix) of "the Order" is not applicable.

xi) As per notification no. GSR 463(E) dated 5 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.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of "the Order" is not applicable.

(xiii) All the transactions undertaken by the Company are in compliance with provisions of sections 177 and 188 of the Companies Act, 2013.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly provisions of Clause 3(xiv) of "the Order" is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into

S.S. KOTHARI MEHTA & CO. CHARTERED ACCOUNTANTS NEW DELHI non-cash transactions with directors or persons connected with him. Accordingly paragraph 3 (xv) of "the Order" is not applicable.

(xvi) The Company is not required to obtain any registration under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly provision of clause 3(xvi) of the "Order" is not applicable to the Company.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

(Naveen Aggarwal)
Partner
Membership Number: 094380

Place: New Delhi
Date: 18/05/17

Annexure- B to the Auditor's Report

Annexure referred to in our report of even date to the members of NTPC Vidyut Vyapar Nigam Limited on accounts for the year ended 31 March 2017.

S No.	Direction/Sub-direction	Actions Taken	Impact on financial Statement
1	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	There is no. freehold and leasehold land in the Company. Therefore requirements under clause 1 of the directions are applicable during the year.	Not Applicable
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes the reasons there of and amount involved.	There are no waiver/write off of debts/loans/ interest etc. by the company during the year, therefore requirements under clause 2 of the directions are not applicable during the year.	Not Applicable
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant(s) from the Government or other authorities.	During the year under audit no inventory of the Company was lying with third party and no assets have been received as gift from Govt. or other authorities, therefore requirements under clause 3 of the directions are not applicable during the year.	Not Applicable

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

(Naveen Aggarwal)
Partner
Membership Number: 094380

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 18/05/17

Annexure- C to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 3(f) of Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of NTPC Vidyut Vyapar Nigam Limited ("the Company") as of March 31 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 Ind AS 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

S.S. KOTHARI MEHTA & CO.
NEW DELHI
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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Naveen Aggarwal)
Partner
Membership Number: 094380

Place: New Delhi
Date: 18/05/17

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC VIDYUT VYAPAR NIGAM LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited, New Delhi for the year ended 31 March 2017 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 auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is 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 18 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Ritika Bhatia

(Ritika Bhatia)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 12 July, 2017