

## 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 Sixteenth Annual Report on the working of the Company for the financial year ended on 31st March 2018 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

#### FINANCIAL RESULTS

(₹ in Crore)

	2017-18	2016-17
Total Revenue	5036.93	5261.12
Total Expenses	4942.12	5142.81
Profit/(Loss) before Tax	94.81	118.31
Tax expenses	33.55	41.88
Profit/(Loss) for the year	61.26	76.43

#### DIVIDEND

During the financial year 2017-18, the Board of Directors have declared an interim dividend of ₹ 20 Crore @ ₹ 10 per equity share on the face value of fully paid-up equity share capital of ₹ 10 each. Your Directors have not recommended any final dividend.

#### 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 2017-18, your Company achieved highest ever power trading volume of 17,278 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 104 MUs.

During the financial year 2017-18, your Company had traded 745,826 ESCerts, a highest volume amongst all other entities in the country and was almost 57% of total traded ESCerts in Indian Energy Exchange.

During the financial year under review your Company has earned revenue of ₹ 5,015 Crore from trade of 17,278 MUs of energy including 5,749 MUs traded under solar & thermal bundled power, 1,527 MUs traded under SWAP arrangements, 2,745 MUs under bilateral trade, 3,344 MUs traded through exchange and 3,913 MUs traded under Cross Border Trading

as compared to revenue of ₹ 5,224 Crore from trade of 15,861 MUs of energy including 5,921 MUs traded under solar & thermal bundled power, 577 MUs traded under SWAP arrangements, 3,592 MUs under bilateral trade, 2,632 MUs traded through exchange and 3,139 MUs traded under Cross Border Trading during the previous financial year.

The overall volume of energy traded by the Company during the financial year 2017-18 has increased by 8.93%. During the financial year under review your Company has operating margin (Revenue Less Purchase) of ₹ 112.80 Crore as compared to ₹ 112.29 Crore during the previous financial year registering an increase of 0.46%.

#### 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, 2018 the total commissioned capacity under the Scheme of Batch I of Phase I of JNNSM is 733 MW.

During the Financial Year 2017-18, total of 5749 MUs of bundled solar power (including 1107 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 signed a Power purchase agreement on December 2, 2017 with Maharashtra State Electricity Distribution Company Limited for supply of 50.4 MW wind power from NALCO. Your company is also supplying 10 MW wind power to Hindustan Petroleum Corporation Limited from Andhra Pradesh Power Coordination Committee/ AP Discoms.

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 with Bangladesh Power Development Board (BPDB), your Company has supplied 2006 MUs during the financial year 2017-18. Further, your Company has signed PPA on March 15, 2016, with BPDB, for supply of 100 MW power. A supplementary agreement has been signed on April 10, 2017, for supply of additional 60MW power to BPDB. Your Company has signed back-to-back Power Sale Agreement (PSA) with Tripura State Electricity Corporation Limited (TSECL) for supply of 160 MW power under radial mode. During the financial year 2017-18



about 952 MUs of energy has been supplied to Bangladesh from TSECL.

In addition to above, your Company has won the bid for supply of 300 MW RTC power to BPDB. The supply period would be from June 1, 2018 to December 31, 2019 under short term and January 1, 2020 to May 31, 2033 under long term. PPA/ PSA with BPDB and Damodar Valley Corporation will be signed soon.

Your Company has signed PPA with Nepal Electricity Authority on March 28, 2018, for supply of upto 120 MW power from April'18 to June'19 through 400/200 kV Muzaffarpur - Dhalkebar A/C line under radial mode from Indian Market. During the financial year 2017-18 about 956 MUs of energy has been supplied to Nepal.

At first time trading of ESCerts on IEX platform, Your Company has traded 745,826 ESCerts, which is the highest volume by any other entity in the country. The major customers were NTPC, GSECL, HPGCL, NEEPCO, MALCO, NFL, NSPCL, PSPCL, Tripura etc.

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.

Your Company has floated tender on February 11, 2018 for supply of 5 MW DG power to Andaman and Nicobar (A&N). Agreeko Energy was selected L1 bidder. PSA was signed between the Company and A&N on March 7, 2018 and back to back PPA was signed by your Company with Agreeko Energy on March 28, 2018 for supply of 5MW DG power to A&N.

#### FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31st March 2018.

#### 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 reappointed M/s S.S. Kothari Mehta & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2017-18.

The Statutory Auditors have given unqualified report on financial statements of the Company for the financial year 2017-18.

#### REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 24 July 2018 communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31st March 2018 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 2017-18 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 2017-18. The Report of the Secretarial Auditors is enclosed at Annexure-II.

Secretarial Auditors have given unqualified report for the financial year 2017-18.

#### REPORTING OF FRAUD

The Statutory Auditors, Secretarial Auditors and CAG have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

#### COMPLIANCE OF SECRETARIAL STANDARDS

Your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### 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 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 2017-18 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

At present, the Board of Directors of the Company comprises of the following:

S. No.	Name	Designation
1.	Shri Prasant Kumar Mohapatra (DIN: 07800722)	Chairman
2.	Shri Pramod Kumar (DIN: 07992859)	Director
3.	Shri C.V. Anand (DIN: 08087484)	Director
4.	Ms. Nandini Sarkar (DIN: 08081386)	Director

NTPC Limited, the holding company, by virtue of powers conferred by Articles of Association of the Company, has time-to-time nominated or withdrawn Directors from the Board of Directors of the Company.

The changes in directors during the financial year under review are as follows:

Name	Date of appointment (2017-18)	Date of cessation (2017-18)
Shri A.K. Jha, <sup>1</sup> (DIN: 03590871)	-	July 31, 2017
Shri K.K. Sharma, <sup>1</sup> (DIN: 03014947)	-	October 31, 2017
Shri Gurdeep Singh, <sup>2</sup> (DIN: 00307037)	-	October 31, 2017
Shri Kulamani Biswal, <sup>2</sup> (DIN: 03318539)	-	December 30, 2017

Name	Date of appointment (2017-18)	Date of cessation (2017-18)
Shri Saptarshi Roy, <sup>2</sup> (DIN: 03584600)	December 30, 2017	March 15, 2018
Shri A.K. Gupta, <sup>3</sup> (DIN: 07269906)	August 8, 2017	
Shri Pramod Kumar, <sup>3</sup> (DIN: 07992859)	November 18, 2017	
Shri C.V. Anand, <sup>3</sup> (DIN: 08087484)	March 15, 2018	

<sup>1</sup> Consequent upon superannuation from the services of NTPC Limited, the holding company, ceased to be Director of the Company.

<sup>2</sup> NTPC Limited, the holding company, withdrawn the nomination

<sup>3</sup> NTPC Limited, the holding company, nominated as Additional Director

The changes in directors after the close of the financial year 2017-18 till the date of signing of this Directors Report are as follows:

Name	Date of appointment	Date of cessation
Shri A.K. Gupta, <sup>1</sup> (DIN: 07269906)	-	June 29, 2018
Smt. A. Sathyabhama <sup>2</sup> (DIN: 06904946)	-	July 31, 2018
Ms. Nandini Sarkar (DIN: 08081386)	August 3, 2018	-

<sup>1</sup> Resigned consequent upon withdrawn of nomination from NTPC Limited, the holding company.

<sup>2</sup> Resigned consequent upon superannuation from the services of NTPC Limited, the holding company.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Gurdeep Singh, Shri A.K. Jha, Shri K.K. Sharma, Shri Saptarshi Roy, Shri A.K Gupta, Shri Kulamani Biswal and Smt. A. Sathyabhama during their association with the Company.

Shri Prasant Kumar Mohapatra, Shri Pramod Kumar, Shri C.V. Anand and Ms. Nandini Sarkar holds office up to the date of this Annual General Meeting but are eligible for appointment. The Company has received a requisite notice in writing from NTPC Limited, proposing their candidature for the office of Director liable to retire by rotation.

#### Number of meetings of the Board

During the financial year under review, 12 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
April 10, 2017	5	4
May 18, 2017	5	4
July 27, 2017	5	5
August 22, 2017	5	4
September 25, 2017	5	4
October 31, 2017	4	3
December 19, 2017	3	3
January 29, 2018	4	3
February 22, 2018	4	4
March 15, 2018	4	4
March 15, 2018	4	3
March 29, 2018	4	3

The details of the number of meetings attended, during the financial year under review, by each director are at Annexure – III.

#### Declaration of Independent Director.

The Ministry of Corporate Affairs vide its notification dated 5<sup>th</sup> July 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent Directors. In view of the aforesaid notification your Company being the wholly owned subsidiary of NTPC Limited is not required to appoint Independent Directors. Hence, requirement of the statement on declaration by Independent directors under section 149(6) of the Companies Act, 2013, is not applicable.

#### AUDIT COMMITTEE

As per the Ministry of Corporate Affairs vide notification dated 13<sup>th</sup> July 2017 substituting Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5<sup>th</sup> July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014, now your Company is not required to constitute an Audit Committee under the Companies Act, 2013. Your Company has continued the constitution of the Audit Committee, as there is a requirement under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India.

Your Company has an Audit Committee of the Board of Directors comprising of Shri Pramod Kumar, Chairman, Shri C.V. Anand, Director and Ms. Nandini Sarkar, Director.

During the financial year under review 8 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
April 10, 2017	3	2
May 18, 2017	3	2
July 27, 2017	3	3
September 25, 2017	3	2
October 31, 2017	3	2
February 22, 2018	3	3
March 15, 2018	3	2
March 29, 2018	3	2

The details of the number of Audit committee meetings attended by each director, during the financial year under review are at Annexure – III.

#### 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. At present, CSR Committee consisting of Shri Prasant Kumar Mohapatra, Chairman, Shri Pramod Kumar, Director and Shri C.V. Anand, Director.

During the financial year under review 1 meeting of the CSR committee were held on the following date:

Date of CSR Committee Meeting	Total strength of the Directors	No. of Directors present
February 22, 2018	3	3

The details of the number of CSR committee meetings attended by each director, during the financial year under review are at Annexure – III.

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-IV.

#### Nomination and Remuneration Committee.

As per the Ministry of Corporate Affairs vide notification dated 13<sup>th</sup> July 2017 substituting Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5<sup>th</sup> July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014, now your Company is not required to constitute Nomination and Remuneration Committee under the Companies Act, 2013. Your Company has continued the constitution of the Nomination and Remuneration Committee, as there is a requirement under the Guidelines for Corporate Governance by Central Public Sector



Enterprises issued by the Department of Public Enterprises, Government of India.

Your Company has Nomination and Remuneration Committee comprising of Shri Pramod Kumar, Chairman, Shri C.V. Anand, Director and Ms. Nandini Sarkar, Director.

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
July 27, 2017	3	3

The detail of number of the Nomination and Remuneration Committee meeting attended by each director, during the financial year under review are at Annexure – III.

#### 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, 2018, 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-V.

#### 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 2017-18, with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is given under Annexure-VI.

#### 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 ₹ 999.35 crore from trade of power in foreign currency as compared to ₹ 848.65 crore foreign currency earned during the financial year 2016-17. An expenditure of ₹ 0.09 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 ₹ 0.04 crore expenses incurred towards travelling of employees during the financial year 2016-17.

#### 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

Sd/-

(PRASANT KUMAR MOHAPATRA)

CHAIRMAN

DIN: 07800722

Place: New Delhi

Date: August 3, 2018





## 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/ consumer 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 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 the various clients. The traders are issued license under categories I, II or III depending on the volume of units proposed to be traded and net worth. During financial year 2017-18 out of the electricity generation of approximately 1203 Billion units, approximately 104 Billion units were traded, representing 8.63% of trading to total generation.

The short term power market volume increased to 104 BUs in financial year 2017-18 as compared to 96 BUs during financial year 2016-17, registering a growth of 8.33%. During the financial year 2017-18 there is substantial growth in the volume of bilateral trading by 20.59% and power exchange by 12.20% as compared to previous year. Despite increase in volume of Short term market, the volume transacted in bilateral direct decreased by 19.05% over the previous year.

#### Structure of Power Market in India\*

(i)	Long -Term (89.36 %)	1075 BU
(ii)	Power Trading (8.65%)	104 BU
(iii)	Balancing Market (UI) (2.00 %)	24 BU
	<b>Total</b>	<b>1203 BU</b>

#### The trading of Power in India\*

(i)	Bilateral Trading	41 BU
(ii)	Bilateral Direct	17 BU
(iii)	Through Power Exchange	46 BU
	<b>Total</b>	<b>104 BU</b>

\*Source CERC (2017-18)

### 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 78050 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 gap between energy requirement and availability has been reduced. The low demand scenario in power market is due to various reasons including low paying capacity of Discoms. 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. As per PPA for supply of 250 MW power for 25 years from NTPC stations, signed with BPDB, your Company has supplied 2006 Mus during the financial year 2017-18. Further, your Company has signed PPA on March 15, 2016, with BPDB, for supply of 100 MW power. A supplementary agreement has been signed on April 10, 2017, for supply of additional 60MW power to BPDB. 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 2018-19, 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 to build assets and to enhance future business in the Cross-Border Trading of Power, Renewable Power Sector and trading of energy certificates (ESCCerts) 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

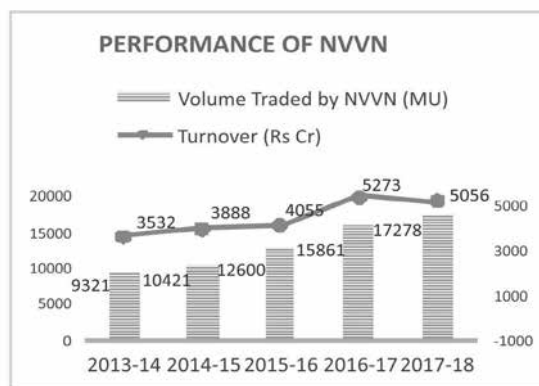
#### Operations

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

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

Trading of Power	2017-18	2016-17
	Million units	
Bilateral Trading	2745	3592
Power SWAP Arrangements	1527	577
Solar Bundled Power	5749	5921
Cross Border Trading	3913	3139
Trading through exchange	3344	2632
<b>Total</b>	<b>17278</b>	<b>15861</b>

During the Financial Year 2017-18, your Company traded 17278 MUs of power, which includes 5749 MUs of bundled solar power under JNNSM. The overall volume of power traded by Company has increased by 8.93% 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 for the financial year 2016-17 has been rated as "Excellent" by Department of Public Enterprises. Your Company successfully accomplished the MoU 2017-18 targets of technology up-gradation under which your Company has developed a mobile app for power trading on 13.12.2017, against the MoU target of 15.12.2017. Also 28% of executives in your Company have undergone one-week training in various institutes like ISB, IIMs, Harvard etc. Therefore, MoU target of Talent management and carrier progression by imparting at least one-week training in Centre of Excellence e.g. IITs, IIMs, NITs, ICAI etc. (% of executives) has been achieved.

### Financial Performance

The revenue of your Company comprises of mainly sales from Energy traded and it contributes to 99.57% of total revenue.



	₹ in Crore	
	2017-18	2016-17
<b>Revenue from Operations</b>		
Energy	5056.05	5272.71
Rebate on energy sale	(40.78)	(48.87)
Other income	21.66	37.28
<b>Total</b>	<b>5036.93</b>	<b>5261.12</b>

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

	₹ in Crore	
	2017-18	2016-17
Purchase of energy	4979.59	5186.53
Rebate from sellers	(77.13)	(74.98)
Employee benefits expense	17.57	14.58
Other expenses	21.69	11.25
<b>Total operating expenses</b>	<b>4941.72</b>	<b>5137.38</b>

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

	₹ in Crore	
	2017-18	2016-17
Total operating expenses	4941.72	5137.38
Finance cost	0.35	5.33
Depreciation, amortization and impairment expense	0.05	0.10
<b>Total expenses including operating expenses</b>	<b>4942.12</b>	<b>5142.81</b>

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 ₹ 0.33 Crore as on 31.3.2018.

During the year the Company earned profit after tax of ₹ 61.26 Crore a decrease of 19.85% over the previous year.

	₹ in Crore	
	2017-18	2016-17
<b>Profit before tax</b>	<b>94.81</b>	<b>118.31</b>
Tax expenses	33.55	41.88
<b>Profit for the year</b>	<b>61.26</b>	<b>76.43</b>

During the financial year under review inspite of increase in overall volume of energy traded by 8.93% over previous financial year the profit has decreased due to intense competition and market forces. Last year profit also included surcharge income of ₹ 27.75 Crore while during the current financial year only ₹ 2.41 Crore has been received against surcharge.

#### Dividend

During the financial year 2017-18, the Board of Directors have declared an interim dividend of ₹ 20 Crore @ ₹ 10 per equity share on the face value of fully paid-up equity share capital of ₹ 10 each. Your Directors have not recommended any final dividend.

#### Reserves & Surplus

During the financial year 2017-18, a sum of ₹ 1.2 Crore have been added to General Reserve as compared to ₹ 79 Crore in the previous year.

#### Current Assets

The current assets at the end of the financial year 2017-18 were ₹ 1650.55 Crore as compared to ₹ 1415.40 Crore in financial year 2016-17 registering an overall increase of 16.61%.

	₹ in Crore	
	31.3.2018	31.3.2017
Trade receivables	796.14	539.70
Cash and cash equivalents	180.99	183.80
Other bank balances	71.84	164.19
Other financial assets	597.34	525.21
Other current assets	4.24	2.50
<b>Total Current Assets</b>	<b>1650.55</b>	<b>1415.40</b>

The increase in Total Current Assets was mainly due to increase in trade receivables from ₹ 539.70 Crore on March 31, 2017 to ₹ 796.14 Crore on March 31, 2018. The receivables are equivalent to 58 days of billing as on March 31, 2018 against 37 days of billing as on March 31, 2017. The major number of receivables has now been recovered from various buyers and balance amount would be realized soon. The other financial assets on account of unbilled revenues has also increased to ₹ 596.32 Crore on March 31, 2018 against ₹ 524.03 Crore on March 31, 2017.

#### Current Liabilities

During the financial year 2017-18, Current Liabilities have increased to ₹ 1374.47 Crore as compared to ₹ 1132.65 Crore in the financial year 2017-18, mainly on account of increase in trade payables.

	₹ in Crore	
	31.03.2018	31.03.2017
Trade payables	1064.61	850.88
Other financial liabilities	274.28	255.08
Other current liabilities	9.22	4.08
Provisions	26.36	18.32
Current tax liabilities (net)	-	4.29
<b>Total Current Liabilities</b>	<b>1374.47</b>	<b>1132.65</b>

	₹ in Crore	
	2017-18	2016-17
Opening cash and cash equivalents	183.80	24.35
Net cash from operating activities	28.77	177.15
Net cash from investing activities	4.53	6.37
Net cash flow from financing activities	(36.11)	(24.07)
Net change in cash and cash equivalents	(2.81)	159.45
Closing cash and cash equivalents	180.99	183.80





The closing cash and cash equivalent for the financial year ended March 31, 2018 has decreased to ₹180.99 Crore in the current year from ₹ 183.80 Crore in the previous year.

#### Financial Indicators

The various performance indicators for the financial year 2017-18 as compared to financial year 2016-17 are as under: -

		₹ in Crore	
	Description	2017-18	2016-17
A	i) Capital employed	311.12	310.11
	ii) Net worth	311.12	310.11
B	i) Return on Capital Employed (PBT/CE)	30%	38%
	ii) Return on net worth (PAT/NW)	20%	25%
C	Dividend as % of Equity Capital	100	150
D	Earning per share in ₹ (EPS) before exceptional item	30.63	38.22

The capital employed as well as net worth has increased due to addition of profit earned during the current financial year. The decrease in profit has resulted in decrease in Return on Capital Employed and return on net worth of the Company.

#### Procurement from MSEs

Your Company during the financial year under review has procured goods and services amounting to ₹1.53 Crore out of which procurement of goods and services from Micro and Small Enterprises (MSEs) was ₹ 0.36 Crore. The percentage procurement from MSEs was 23.32%.

#### 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 2018, there were 39 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

Sd/-  
 (PRASANT KUMAR MOHAPATRA)  
 CHAIRMAN  
 DIN: 07800722

Place: New Delhi  
 Date: August 3, 2018



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

{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 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 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NVVNL ("the Company") for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **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**
- (d) The SEBI (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.

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

- (a) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.
- (b) Securities & Exchange Board of India (Listings 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.

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

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

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

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

For Agarwal S. & Associates,  
Company Secretaries,

CS Sachin Agarwal  
Partner  
FCS No. : 5774  
C.P No. : 5910

Date: July 02, 2018  
Place: New Delhi

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,

CS Sachin Agarwal  
Partner  
FCS No. : 5774  
C.P No. : 5910

Date: July 02, 2018  
Place: New Delhi



**Annexure-III**

**CORPORATE SOCIAL RESPONSIBILITY**

**BOARD OF DIRECTORS**

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 2017-18
Shri Gurdeep Singh (ceased w.e.f. 31.10.2017)	Chairman	5 out of 5
Shri A.K. Jha (ceased w.e.f. 31.07. 2017)	Director	3 out of 3
Shri K.K. Sharma (ceased w.e.f. 31.10. 2017)	Director	5 out of 6
Shri Kulamani Biswal (ceased w.e.f. 30.12. 2017)	Director	6 out of 6
Shri Saptarshi Roy (appointed w.e.f. 30.12.2017) (ceased w.e.f. 15.03.2018)	Chairman	2 out of 2
Shri A.K. Gupta (appointed Director w.e.f.08.08.2017) (appointed Chairman w.e.f.15.03.2018)	Chairman	9 out of 9
Shri Pramod Kumar (appointed w.e.f.18.11.2017)	Director	6 out of 6
Shri C.V. Anand (appointed w.e.f.15.03.2018)	Director	2 out of 3
Mrs. A. Sathyabhama	Director	6 out of 12

Note:

1. Shri Prasant Kumar Mohapatra, the current Chairman of the Company is not included in the above details as he is appointed w.e.f. June 29, 2018, after close of financial year 2017-18.
2. Ms. Nandini Sarkar, Director of the Company is not included in the above details as she is appointed w.e.f. August 3, 2018, after close of financial year 2017-18.

**AUDIT COMMITTEE**

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 2017-18
Shri Kulamani Biswal (ceased member w.e.f. 31.10. 2017)	Chairman	4 out of 4
Shri A.K. Gupta (appointed member w.e.f. 31.10.2017) (appointed Chairman w.e.f. 18.11.2017) (ceased Chairman w.e.f.15.03.2018)	Chairman	2 out of 2
Shri K.K. Sharma (appointed Chairman w.e.f. 31.10.2017) (ceased w.e.f. 31.10 2017)	Director	4 out of 5
Shri Pramod Kumar (appointed w.e.f.18.11.2017) (appointed Chairman w.e.f.15.03.2018)	Chairman	3 out of 3
Shri C.V. Anand (appointed w.e.f.15.03.2018)	Director	1 out of 2
Mrs. A. Sathyabhama	Director	4 out of 8

Note: Ms. Nandini Sarkar, Director of the Company is not included in the above details as she is appointed w.e.f. August 3, 2018, after close of financial year 2017-18.

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 2017-18
Shri Saptarshi Roy (appointed w.e.f. 30.12.2017) (ceased w.e.f. 15.03.2018)	Chairman	1 out of 1
Shri A.K. Gupta (appointed member w.e.f. 08.08.2017) (appointed Chairman w.e.f.15.03.2018)	Chairman	1 out of 1
Shri Pramod Kumar (appointed member w.e.f.18.11.2017) (appointed Chairman w.e.f.15.03.2018)	Chairman	1 out of 1
Shri C.V. Anand (appointed w.e.f.15.03.2018)	Director	N.A

Note: Shri Prasant Kumar Mohapatra, the current Chairman of the Company is not included in the above details as he is appointed w.e.f. June 29, 2018, after close of financial year 2017-18.

**Nomination and Remuneration Committee**

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 2017-18
Shri A.K. Jha (ceased w.e.f. 31.07 2017)	Chairman	1 out of 1
Shri Kulamani Biswal (ceased w.e.f. 30.12. 2017)	Director	1 out of 1
Shri K.K. Sharma (ceased w.e.f. 31.10 2017)	Director	1 out of 1
Shri Pramod Kumar (appointed member w.e.f.18.11.2017) (appointed Chairman w.e.f.15.03.2018)	Chairman	N.A
Shri C.V. Anand (appointed w.e.f.15.03.2018)	Director	N.A
Mrs. A. Sathyabhama (appointed w.e.f.31.10.2017)	Director	N.A

Note: Ms. Nandini Sarkar, Director of the Company is not included in the above details as she is appointed w.e.f. August 3, 2018, after close of financial year 2017-18.

For and on behalf of the Board of Directors

Sd/-

(PRASANT KUMAR MOHAPATRA)  
CHAIRMAN  
DIN: 07800722

Place: New Delhi  
Date: August 3, 2018



## Annexure-IV

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 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](http://www.nvvn.co.in).

2. The Composition of the CSR Committee as on March 31, 2018.

Name of the Director	Designation
Shri A.K. Gupta	Chairman
Shri Pramod Kumar	Director
Shri C. V. Anand	Director

Note: Shri Prasant Kumar Mohapatra, the current Chairman of the Company is not included in the above details as he is appointed w.e.f. June 29, 2018, after close of financial year 2017-18.

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

The average net profit of the Company before tax for three immediately preceding financial years i.e. 2014-15, 2015-16 and 2016-17 is ₹ 8,835.47 Lakh

4. Prescribed CSR Expenditure

The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹ 8,835.47 Lakh i.e. ₹ 176.70 Lakh in the financial year 2017-18 plus spillover of ₹ 11.14 Lakh from previous financial year 2016-17

5. Details of CSR spent during the financial year 2017-18.

(a)	Total amount spent for the financial year	:	₹ 170.20 Lakh
(b)	Amount unspent, if any	:	₹ 17.64 Lakh
(c)	Manner in which the amount spent during the financial year	:	Detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in Which the Project is covered.	Projects or Programs (1) Local area or other (2) Specify the State and the district where projects or programs was undertaken.	Amount outlay (budget) Project or Programs wise (Amount in ₹ lakh)	Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in ₹ lakh)	Cumulative expenditure upto to the reporting period. (Amount in ₹ lakh)	Amount spent: Direct or through implementing agency
1.	Support for flood affected people in different districts of Bihar	Eradicating hunger, poverty and malnutrition.	Different sectors of Bihar	168.65	168.60	168.60	Through implementing agency.



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in Which the Project is covered.	Projects or Programs (1) Local area or other (2) Specify the State and the district where projects or programs was undertaken.	Amount outlay (budget) Project or Programs wise (Amount in ₹ lakh)	Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in ₹ lakh)	Cumulative expenditure upto to the reporting period. (Amount in ₹ lakh)	Amount spent: Direct or through implementing agency
2.*	Construction of 4 rooms along with varandah near Sim Baba Chowk, Tetulmari (Dhandbad) in ward No 04	Rural development projects		19.00	0	0	NA
3.	Construction of toilets in schools in Bhillaur under Swatch Vidyalaya Abhiyan	Promoting education	Different schools of Bhillaur.	1.60	1.60	1.60	Through implementing agency.
			<b>Total</b>	<b>189.20</b>	<b>170.20</b>	<b>170.20</b>	

\* This project could not be undertaken in the financial year 2017-18.

**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 2017-18, 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 2018-19 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

Sd/-  
(Ashok Kumar Juneja)  
Chief Executive Officer

Sd/-  
(PRASANT KUMAR MOHAPATRA)  
CHAIRMAN  
DIN: 07800722

Place: New Delhi  
Date: August 3, 2018

Form No. MGT-9

**Extract of Annual Return**

as on the financial year ended on March 31, 2018

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

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	:	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	-



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	
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Nominees of NTPC)	-	700	700	-	-	700	700	-	-
<b>Sub-total (A) (1):-</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100</b>	-
(2) Foreign									
a) NRIs- individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) + A(2)</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100</b>	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	-	-	-	-	-	-	-	-	-
2. Non-institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B) (2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100</b>	-

## (ii) Shareholding of Promoters

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

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

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



(v) Shareholding of Directors and Key Managerial Personnel:

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
<b>1.</b>	<b>Shri Gurdeep Singh, Chairman, (As Nominee of NTPC Limited) (ceased to be Chairman w.e.f. 31.10.2017)</b>					
	At the beginning of the year	100	-	100	-	
	Equity shares transferred on 29.01.2018	100	-	100	-	
	At the End of the year	-	-	-	-	
<b>2.</b>	<b>Shri A.K. Jha, Director, (As Nominee of NTPC Limited) (ceased to be Director w.e.f. 31.07.2017)</b>					
	At the beginning of the year	100	-	100	-	
	Equity shares transferred on 19.12.2017	100	-	100	-	
	At the End of the year	-	-	-	-	
<b>3.</b>	<b>Shri Kulamani Biswal, Director, (As Nominee of NTPC Limited) (ceased to be Director w.e.f. 30.12.2017)</b>					
	At the beginning of the year	100	-	100	-	
	Equity shares transferred on 29.01.2018	100	-	100	-	
	At the End of the year	-	-	-	-	
<b>4.</b>	<b>Shri Saptarshi Roy, Chairman, (As Nominee of NTPC Limited) (ceased to be Director w.e.f. 15.03.2018)</b>					
	At the beginning of the year	-	-	-	-	
	Equity shares transferred on 29.01.2018, as nominee of NTPC					
	Equity shares transferred on 15.03.2018	100	-	100	-	
	At the End of the year	-	-	-	-	
<b>5.</b>	<b>Shri A.K. Gupta, Chairman, (As Nominee of NTPC Limited)</b>					
	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	-	
<b>6.</b>	<b>Shri Pramod Kumar, Director, (As Nominee of NTPC Limited)</b>					
	At the beginning of the year	-	-	-	-	
	Equity shares transferred on 29.01.2018, as nominee of NTPC	100	-	100	-	
	At the End of the year	100	-	100	-	
<b>7.</b>	<b>Shri C.V. Anand, Director, (As Nominee of NTPC Limited)</b>					
	At the beginning of the year	-	-	-	-	
	Equity shares transferred on 15.03.2018, as nominee of NTPC	100	-	100	-	
	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
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction		-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	-	-	-

## 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 MD/WTD / Manager				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	41,12,754	26,29,416	41,30,054	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	66,048	72,701	4,96,629	
	(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	41,78,802	27,02,117	46,26,683	

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-  
(PRASANT KUMAR MOHAPATRA)  
CHAIRMAN  
DIN: 07800722

Place: New Delhi  
Date: August 3, 2018

## 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 arm's 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 up to ₹ 1 Crore
(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	: February 22, 2018
(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

Sd/-  
 (PRASANT KUMAR MOHAPATRA)  
 CHAIRMAN  
 DIN: 07800722

Place: New Delhi  
 Date: August 3, 2018



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018**

Particulars	Note No.	₹ Lakh	
		As at 31.03.2018	As at 31.03.2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	9.86	13.06
Intangible assets	2	-	1.32
Capital work-in-progress	3	23.72	-
Deferred tax Asset (net)	4	48.60	5.02
Other non-current assets	5	3,439.79	2,727.29
		<u>3,521.97</u>	<u>2,746.69</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	6	79,614.54	53,970.29
Cash and cash equivalents	7	18,099.01	18,379.80
Other bank balances	8	7,183.89	16,418.99
Other financial assets	9	59,734.02	52,521.18
Other current assets	10	423.75	249.85
		<u>165,055.21</u>	<u>141,540.11</u>
<b>TOTAL ASSETS</b>		<u><b>168,577.18</b></u>	<u><b>144,286.80</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	2,000.00	2,000.00
Other equity	12	29,130.29	29,021.76
		<u>31,130.29</u>	<u>31,021.76</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
-Trade payables	13	106,460.50	85,087.79
-Other financial liabilities	14	27,427.84	25,507.47
Other current liabilities	15	922.06	408.43
Provisions	16	2,636.49	1,832.24
Current tax liabilities (net)	17	-	429.11
		<u>137,446.89</u>	<u>113,265.04</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>168,577.18</b></u>	<u><b>144,286.80</b></u>
Significant Accounting Policies	1		

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

For and on behalf of the Board of Directors

(Nitin Mehra)  
Company Secretary

(Kumar Sanjay)  
CFO

(A.K. Garg)  
CEO

(A. K. Gupta)  
Chairman

(Pranod Kumar)  
Director

For S S Kothari Mehta & Co.,  
Chartered Accountants  
Firm Registration No.000756N  
(Naveen Aggarwal)  
Partner ( M. No. 094380)

Place: New Delhi  
Dated: 08.05.2018



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

Particulars	Note No.	₹ Lakh	
		For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Revenue</b>			
Revenue from operations	18	501,526.73	522,384.31
Other income	19	2,166.34	3,727.99
<b>Total revenue</b>		<b>503,693.07</b>	<b>526,112.30</b>
<b>Expenses</b>			
Purchase of energy	20	490,246.45	511,155.33
Employee benefits expense	21	1,756.74	1,458.12
Finance costs	22	35.38	532.95
Depreciation, amortization and impairment expense	2	4.47	9.61
Other expenses	23	2,169.04	1,124.98
<b>Total expenses</b>		<b>494,212.08</b>	<b>514,280.99</b>
<b>Profit before tax</b>		<b>9,480.99</b>	<b>11,831.31</b>
<b>Tax expense</b>			
Current tax			
Current year		3,398.00	4,279.65
Earlier years		0.16	(0.23)
Deferred tax		(43.58)	(91.65)
<b>Total tax expense</b>		<b>3,354.58</b>	<b>4,187.77</b>
<b>Profit for the year</b>		<b>6,126.41</b>	<b>7,643.54</b>
<b>Other Comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive income for the year</b>		<b>6,126.41</b>	<b>7,643.54</b>
Significant accounting policies	1		
<b>Earnings per equity share (Par value ₹10/- each)</b>			
Basic & Diluted (₹)		<b>30.63</b>	<b>38.92</b>

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

For and on behalf of the Board of Directors

(Nitin Mehra)  
Company Secretary

(Kumar Sanjay)  
CFO

(A.K. Garg)  
CEO

(A. K. Gupta)  
Chairman

(Pramod Kumar)  
Director

For S S Kothari Mehta & Co.,  
Chartered Accountants  
Firm Registration No.000756N  
(Naveen Aggarwal)  
Partner ( M. No. 094380)

Place: New Delhi  
Dated: 08.05.2018





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

	₹ Lakh	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before tax	9,480.99	11,831.31
<b>Adjustment for:</b>		
Depreciation	4.47	9.61
Interest Charges	35.38	58.08
Interest income	(541.91)	(639.43)
Provision	(5.34)	7.85
loss on disposal of Scrap	0.33	-
Profit on disposal of fixed asset	(0.04)	-
	<u>(507.11)</u>	<u>(563.89)</u>
<b>Operating Profit before Working Capital Changes</b>	<b>8,973.88</b>	<b>11,267.42</b>
<b>Adjustment for:</b>		
Trade and other receivables	(32,873.63)	(17,976.26)
Trade payable, provisions and other liabilities	21,434.66	13,546.00
Deposits & other bank balances	9,235.10	14,631.33
Other Current Assets	(92.67)	288.18
	<u>(2,296.54)</u>	<u>10,489.25</u>
<b>Cash generated from operations</b>	<b>6,677.34</b>	<b>21,756.67</b>
Direct taxes paid	(3,780.65)	(4,042.00)
Interest on taxes paid	(19.99)	-
<b>Net Cash from Operating Activities-A</b>	<b>2,876.70</b>	<b>17,714.67</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(23.72)	(3.03)
Disposal of fixed assets	0.51	0.75
Interest on Investments Received	476.46	639.43
<b>Net Cash used in Investing Activities -B</b>	<b>453.25</b>	<b>637.15</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,000.00)	(2,000.00)
Tax on dividend	(610.73)	(407.15)
Interest Paid	-	-
<b>Net Cash flow from Financing Activities-C</b>	<b>(3,610.73)</b>	<b>(2,407.15)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(280.79)</b>	<b>15,944.67</b>
<b>Cash and Cash equivalents (Opening balance)</b>	<b>18,379.80</b>	<b>2,435.13</b>
<b>Cash and Cash equivalents (Closing balance)</b>	<b>18,099.01</b>	<b>18,379.80</b>

### 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:

Balances with banks

Current accounts

18,099.01

18,379.80

For and on behalf of the Board of Directors

(Nitin Mehra)  
Company Secretary

(Kumar Sanjay)  
CFO

(A. K. Garg)  
CEO

(A. K. Gupta)  
Chairman

(Pramod Kumar)  
Director

For S S Kothari Mehta & Co.,  
Chartered Accountants  
Firm Registration No.000756N  
(Naveen Aggarwal)  
Partner ( M.No. 094380)

Place: New Delhi  
Dated: 08.05.2018



## Statements Of Changes In Equity

### (a) Equity Share Capital

For the year ended 31 March 2018

Balance at the beginning of the reporting period	Changes in equity share capital	Balance as at 31 March 2018
2,000	-	2,000

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

### (b) Other Equity

For the year ended 31 March 2018

₹ Lakh

	Reserves & Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained Earnings	
Balance as at 31 March 2017	11.14	28,979.38	31.24	29,021.76
Profit for the year			6,126.41	6,126.41
Other comprehensive Income				-
<b>Total Comprehensive Income</b>	<b>11.14</b>	<b>28,979.38</b>	<b>6,157.65</b>	<b>35,148.17</b>
Adjustment during the year				
Transfer to Retained earnings	(11.14)			(11.14)
Transfer from Retained earnings	17.64	120.00		137.64
Transfer to CSR reserve			(17.64)	(17.64)
Transfer from CSR reserve			11.14	11.14
Transfer to general reserve			(120)	(120)
Final Dividend			(3,000.00)	(3,000.00)
Tax on Final dividend			(610.73)	(610.73)
Interim Dividend			(2,000.00)	(2,000.00)
Tax on interim dividend			(407.15)	(407.15)
<b>Balance as at 31 March 2018</b>	<b>17.64</b>	<b>29,099.38</b>	<b>13.27</b>	<b>29,130.29</b>

## Statements Of Changes In Equity

For the year ended 31 March 2017

₹ Lakh

	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				-
<b>Total Comprehensive Income</b>	<b>61.89</b>	<b>21,079.38</b>	<b>7,880.49</b>	<b>29,021.76</b>
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)
<b>Balance as at 31 March 2017</b>	<b>11.14</b>	<b>28,979.38</b>	<b>31.24</b>	<b>29,021.76</b>



## Note-1 Significant Accounting Policies for the Financial Year 2017-18

### A. 1. Company Information and Significant Accounting Policies Reporting entity

NVVN 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, and Lodhi Road, New Delhi 110003. The Company is primarily engaged in the business of trading power within the country and some of its neighbouring country...

### 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.

The transition was carried out from Indian Accounting principles to Generally Accepted Accounting Principles (GAAP) in India, specified under Section 133 of the Companies Act, 2013, read with rule 7 of the companies A/c rules 2014 (IGAAP) which was previous GAAP. 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.

These financial statements were authorized for issue by Board of Directors on 8/5/2018.

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)

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 (up to two decimals), except as stated otherwise.

#### 4. Current and non-current classification

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

An asset is current when it is:

- Expected to be realized or intended to 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.

#### 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.

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 the useful life specified in Schedule II of the Companies Act, 2013.

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

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

## 2. Intangible assets

### Amortization

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less.

## 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 / Contingent liabilities / Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined

by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

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

Contingent Assets are not recognized in the financial statements after the realization of income is virtually certain.

## 5. Revenue

Company's revenues arise from trading of power, consultancy, project management & supervision services and other income. Revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries and trading of power through power exchanges. 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 on the 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. Revenue from services

Revenue from consultancy, project management and supervision services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective consultancy contracts. Claims for reimbursement of expenses are recognized as other income, as per the terms of the consultancy service contracts.

#### 5.3. Other income

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

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. Employee benefits

The employees of the Company are on secondment from the holding company. Employee benefits include provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the Holding Company, the Company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of





service rendered in the Company. Accordingly, these employee benefits are treated as defined contribution schemes.

## 9. Leases

### Accounting for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term.

## 10. 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. Such financial assets are subsequently classified under following three categories according to purpose for which they are held. The classification is reviewed at the end of each reporting period.

##### 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
- (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:

#### 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 are recognized in OCI. These gains/loss 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.

### 11. 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.

### 12. 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.

### 13. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders



of the Company by the weighted average number of equity shares outstanding during the financial year.

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

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

#### 14. 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.

#### 15. Recent Accounting Pronouncement

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018.

Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Standard permits two possible methods of transition:

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

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

## 2. Property, plant and equipment

As at 31 March 2018

₹ Lakh

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block	
	As at	Deductions/		As at	Up to	For	Deductions/	Up to	As at	As at
	01.04.2017	Additions	Adjustments	31.03.2018	01.04.2017	the year	Adjustments	31.03.2018	31.03.2018	31.03.2017
Furniture and fixtures	8.05	-	-	8.05	2.70	1.31	-	4.01	4.04	5.35
Office equipment	6.82	-	-	6.82	2.01	1.19	-	3.20	3.62	4.81
EDP, WP machines and satcom equipment	10.14	-	0.82	9.32	8.06	0.58	0.77	7.87	1.45	2.08
Communication equipments	0.96	-	-	0.96	0.14	0.07	-	0.21	0.75	0.82
<b>Total</b>	<b>25.97</b>	<b>-</b>	<b>0.82</b>	<b>25.15</b>	<b>12.91</b>	<b>3.15</b>	<b>0.77</b>	<b>15.29</b>	<b>9.86</b>	<b>13.06</b>

As at 31 March 2017

₹ Lakh

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block	
	As at	Deductions/		As at	Up to	For	Deductions/	Up to	As at	As at
	01.04.2016	Additions	Adjustments	31.03.2017	01.04.2016	the year	Adjustments	31.03.2017	31.03.2017	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
<b>Total</b>	<b>27.09</b>	<b>3.03</b>	<b>4.15</b>	<b>25.97</b>	<b>9.88</b>	<b>6.43</b>	<b>3.40</b>	<b>12.91</b>	<b>13.06</b>	<b>17.21</b>

## Intangible assets

As at 31 March 2018

₹ Lakh

Particulars	Gross Block				Amortisation				Net Block	
	As at	Deductions/		As at	Up to	For	Deductions/	Up to	As at	As at
	01.04.2017	Additions	Adjustments	31.03.2018	01.04.2017	the year	Adjustments	31.03.2018	31.03.2018	31.03.2017
Software	7.69	-	-	7.69	6.37	1.32	-	7.69	-	1.32
<b>Total</b>	<b>7.69</b>	<b>-</b>	<b>-</b>	<b>7.69</b>	<b>6.37</b>	<b>1.32</b>	<b>-</b>	<b>7.69</b>	<b>-</b>	<b>1.32</b>

As at 31 March 2017

₹ Lakh

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

### 3. Capital work-in-progress

As at 31 March 2018

₹ Lakh

Particulars	As at		Deductions/		As at
	01.04.2017	Additions	Adjustments	Capitalised	
EDP/WP machines & satcom equipment	3.41	23.72	-	-	27.13
Less : Provision for unserviceable CWIP	3.41	-	-	-	3.41
<b>Total</b>	<b>-</b>	<b>23.72</b>	<b>-</b>	<b>-</b>	<b>23.72</b>

During the year 2017-18, company has made addition in CWIP amounting to ₹ 23.72 lakh for purchase of personal Computers for its employees. Payment of same is pending as on 31.03.2018

As at 31 March 2017

₹ Lakh

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

### 4. Deferred tax Assets & Liabilities

As at 31 March 2018

₹ Lakh

Particulars	As at		As at
	01.04.2017	Additions/ (Adjustments) during the year	
<b>Deferred tax asset</b>			
- Provisions & other disallowances for tax purposes	3.80	43.14	46.94
Total deferred tax asset (A)	3.80	43.14	46.94
<b>Deferred tax liability</b>			
- Difference in book depreciation and tax depreciation	(1.22)	(0.44)	(1.66)
Total deferred tax liability (B)	(1.22)	(0.44)	(1.66)
<b>Net deferred tax Asset/ (liability) (A-B)</b>	<b>5.02</b>	<b>43.58</b>	<b>48.60</b>

As at 31 March 2017

₹ Lakh

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

- 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.

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

₹ Lakh

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Deposits</b>		
Deposit with Sales tax Authority	0.50	0.50
<b>Advances</b>		
Advance tax & tax deducted at source	20,250.78	11,771.55
Less: Provision for tax	16,811.49	9,044.76
	<u>3,439.29</u>	<u>2,726.79</u>
<b>Total</b>	<u>3,439.79</u>	<u>2,727.29</u>

## 6. Trade receivables

₹ Lakh

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good	79,614.54	53,970.29
Considered doubtful	132.23	2.23
	<u>79,746.77</u>	<u>53,972.52</u>
Less: Allowance for bad & doubtful receivables	132.23	2.23
<b>Total</b>	<u>79,614.54</u>	<u>53,970.29</u>

Unbilled revenues of ₹ 59632.31 Lakh (₹ 52402.93 Lakh as on 31.03.2017) are separately stated in Note 9.

## 7. Cash and cash equivalents

₹ Lakh

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with banks		
Current accounts	18,099.01	18,379.80
	<u>18,099.01</u>	<u>18,379.80</u>

## 8. Other bank balances

₹ Lakh

Particulars	As at 31.03.2018	As at 31.03.2017
Deposits with original maturity of more than three months and maturing within one year (incl. accrued interest)	5,583.13	14,943.76
Earmarked balances with banks #	1,600.76	1,475.23
<b>Total</b>	<u>7,183.89</u>	<u>16,418.99</u>
<b># Not available for use to the Company and include:</b>		
Term deposit as security with Sales Tax Authorities	-	0.25
Term Deposit as per the directive from the Hon'ble High Court of Delhi (Refer Note No 14 & 16)	1,600.76	1,474.98
	<u>1,600.76</u>	<u>1,475.23</u>





## 9. Other current financial assets

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
<b>Advances</b>		
Others		
Unsecured	39.84	14.32
<b>Deposits *</b>		
Others		
Unsecured	61.87	103.93
	101.71	118.25
<b>Unbilled revenue #</b>	59,632.31	52,402.93
<b>Total</b>	59,734.02	52,521.18

\* 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. Unbilled debtors are shown net of Accrued rebate

## 10. Other current assets

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
Others		
Unsecured	423.75	254.43
Less: Provision for Doubtful advances	-	5.34
	423.75	249.09
Assets held for disposal	-	0.76
<b>Total</b>	423.75	249.85

Asset held for disposal has been sold during the year 2017-18

## 11. Share capital

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
<b>Equity share capital</b>		
<b>Authorised</b>		
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
<b>Issued, subscribed and fully paid up</b>		
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

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:

Particulars	₹ Lakh	
	F.Y 2017-18	F.Y 2016-17
Final dividend for the year ended 31 <sup>st</sup> March 2017 (₹15/- per equity share of par value ₹10/- each)	3000	-
Interim dividend for the year ended 31 <sup>st</sup> March 2018 but not paid (₹10/- per equity share of par value ₹10/- each)	2000	-

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

Particulars	31.03.2018		31.03.2017	
	No. of shares	%age holdings	No. of shares	%age holdings
NTPC Limited and its nominees	20,000,000	100	20,000,000	100

## 12. Other equity

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
<b>Corporate social responsibility (CSR) reserve</b>		
As per last financial statements	11.14	61.89
Add : Transfer from surplus	17.64	11.14
Less: Transfer to surplus	11.14	61.89
	<u>17.64</u>	<u>11.14</u>
<b>General reserve</b>		
As per last financial statements	28,979.38	21,079.38
Add : Transfer from surplus	120.00	7,900.00
Less: Adjustments during the year	-	-
	<u>29,099.38</u>	<u>28,979.38</u>
<b>Retained earnings</b>		
As per last financial statements	31.24	236.95
Add: Profit for the year as per Statement of Profit and Loss	6,126.41	7,643.54
Transfer from CSR reserve	11.14	61.89
Less: Transfer to bonds/debentures redemption reserve	17.64	11.14
Transfer to general reserve	120.00	7,900.00
Final dividend	3,000.00	-
Tax on Final dividend	610.73	-
Interim dividend	2,000.00	-
Tax on interim dividend	407.15	-
	<u>13.27</u>	<u>31.24</u>
<b>Total</b>	<u><b>29,130.29</b></u>	<u><b>29,021.76</b></u>

a) 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 ₹170.20 Lakh during the year and unspent balance amounting to ₹17.64 Lakh has been appropriated to CSR reserve from surplus (refer note no. 33).

## 13. Trade payables

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
For goods and services*	<u>106,460.50</u>	<u>85,087.79</u>

Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 32.

\* Including amount payable to Firestone Trading Private Limited Rs. 134.31 Lakhs, which has been provisionally attached by Enforcement Directorate on 24/02/2018



**14. Other financial liabilities (Current)**

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
Payable for capital expenditure	27.13	3.41
Other payables		
Deposits from contractors and others	56.61	37.87
Payable to holding company	263.05	322.22
Payable to employees	273.50	88.38
Retention on A/c BG encashment (Solar)	23,354.74	23,362.24
Payable to Solar Payment Security Account	-	187.52
Retention on A/c BG encashment (Coastal))	1,045.66	1,505.83
Interim Dividend	2000.00	-
Tax on Interim Dividend	407.15	-
<b>Total</b>	<b>27,427.84</b>	<b>25,507.47</b>

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

**For the year 2017-18**

Particulars	₹ Lakh		
	As at 01.04.2017	For the year ended 31.03.2018	As at 31.03.2018
Amount received as liquidated damages on late commissioning of solar power plants	24,491.14	500.00	24,991.14
Add: Interest accrued on above	1,818.91	-	1,818.91
Less: Legal expenses	1,115.57	259.05	1,374.62
Less: Liability on a/c of arbitration cases where award has been pronounced	1,832.24	248.45	2,080.69
<b>Net Balance- Retention on A/c BG encashment (Solar)</b>	<b>23,362.24</b>	<b>(7.50)</b>	<b>23,354.74</b>

**For the year 2016-17**

Particulars	₹ Lakh		
	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	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
<b>Net Balance- Retention on A/c BG encashment (Solar)</b>	<b>18,764.91</b>	<b>4,597.33</b>	<b>23,362.24</b>

-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 ₹ 23354.74 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 : In the current year, the company has withdrawn an amount of Rs Nil (₹ 187.52 Lakh during 2016-17) (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 - Retention on A/c BG encashment (Coastal) 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. As per award of Hon'ble High Court, Delhi, dt 25-02-2018 this amount is to be returned to M/s Coastal Projects Limited with an interest

@ 10% from 24-04-2012 till the payment of this amount to M/s Coastal Projects Ltd. An appeal has been filed with Supreme Court against this order on 26-02-2018. Accordingly, an interest amount of ₹ 555.80 Lakh @ 10% for the period 24-04-2012 to 25.02.2018 has been transferred to provision for arbitration A/c (Note-16)

- d) Considering the directions received from MNRE and opinion of the tax consultant, since BG encashment fund do not belong to the company, transfer of proceeds from BG Encashment fund to BG Encashment by override effect, will not attract tax liability.

#### 15. Other current liabilities

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
Advances from customers and others	491.41	134.34
Other payables		
Tax deducted at source and other statutory dues	430.65	274.09
<b>Total</b>	<b>922.06</b>	<b>408.43</b>

#### 16. Provisions

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
Arbitration Cases	2,636.49	1,832.24
<b>Total</b>	<b>2,636.49</b>	<b>1,832.24</b>

#### 17. Current tax liabilities (net)

Particulars	₹ Lakh	
	As at 31.03.2018	As at 31.03.2017
Provision for Current Tax	-	429.11

#### 18. Revenue from operations

Particulars	₹ Lakh	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from operations		
Sale of energy	505,143.19	526,811.43
Less: Rebate to beneficiaries	4,078.37	4,886.52
	501064.82	521,924.91
Commission	461.91	459.40
<b>Total</b>	<b>501,526.73</b>	<b>522,384.31</b>



- Sale of bilateral energy and commission 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).
- Sale of bilateral energy includes compensation received of ₹ 316.36 Lakh (previous period ₹ 164.48 Lakh) due to lesser supply/drawl of power by the supplier/buyers and open access charges on energy trading borne by the company.
- 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.
- Sale of energy under Swap arrangements is billed by margin only to buyers.
- Commission on energy trading through exchange recognised as agreed with the client.

## 19. Other income

Particulars	₹ Lakh	
	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Interest from</b>		
Deposits with banks	541.91	639.43
	<b>541.91</b>	<b>639.43</b>
<b>Other non-operating income</b>		
Surcharge received from customers	241.16	2,775.53
Management Fee	414.83	241.15
Miscellaneous income #	968.40	71.88
Profit on disposal of Property, Plant & Equipment	0.04	-
<b>Total</b>	<b>2,166.34</b>	<b>3,727.99</b>

# Miscellaneous income includes sundry balance written back, Incentive on REC trade, creditors w/off etc.

## 20. Purchase of Energy

Particulars	₹ Lakh	
	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Purchase of energy</b>	<b>497,959.02</b>	<b>518,653.46</b>
Less: Rebate from Supplier	7,712.57	7,498.13
<b>Total</b>	<b>490,246.45</b>	<b>511,155.33</b>

- 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).
- Bilateral energy purchase includes compensation payment of ₹ 314.52 Lakh (previous year ₹ 164.48 Lakh) due to lesser supply/drawl of power by the Company.
- 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

Particulars	₹ Lakh	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries and wages	1,425.48	1,103.18
Contribution to provident and other funds	253.57	269.80
Staff welfare expenses	77.69	85.14
<b>Total</b>	<b>1,756.74</b>	<b>1,458.12</b>



- 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 ₹ 188.92 Lakh (previous year ₹ 202.79 Lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 64.65 Lakh (previous year ₹ 67.01 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. 1<sup>st</sup> January 2017. Pending decision of the committee formed by GOI, a provision of ₹ 261.05 lakh for pay, allowances, perks and other benefits (previous year ₹ 66.19 Lakh) and performance related pay provision of ₹ 270 lakh (previous year ₹ 85.59 lakh) has been made on estimated basis as apportioned by the Holding company i.e. NTPC Ltd.

**22. Finance costs**

Particulars	₹ Lakh	
	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Interest paid</b>		
Income Tax	30.83	62.51
SPSA account	-	470.39
Others	4.55	0.05
<b>Total</b>	<b>35.38</b>	<b>532.95</b>

**23. Other expenses**

Particulars	₹ Lakh	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Power charges	25.70	19.14
Rent	521.78	499.19
Repairs & maintenance		
Buildings	13.29	16.09
Others	8.72	1.65
	22.01	17.74
Insurance	0.01	0.01
Rates and taxes	40.00	40.00
Training & recruitment expenses	0.08	0.06
Communication expenses	29.17	30.54
Travelling expenses	69.01	71.55
Tender expenses	82.30	93.10
Less: Receipt from sale of tenders	27.85	0.90
	54.45	92.20
Payment to Statutory Auditors - Audit Fees	2.59	3.45
Other Services	0.40	
Publicity Expenses	11.79	-
Entertainment expenses	12.35	10.95
Corporate Social Responsibility (CSR) Expenses	170.20	207.78





Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Books and periodicals	0.21	0.34
Professional charges and consultancy fee	75.09	71.77
Surcharge expenses	-	0.47
Legal expenses	6.61	0.29
EDP hire and other charges	3.19	0.79
Printing and stationery	0.35	0.92
Hiring of vehicles	1.09	1.59
Bank charges/LC Charges	78.34	19.88
Loss on sale of Assets held for disposals	0.33	-
Bad debt Written off	879.74	
Miscellaneous expenses	39.89	27.57
	<b>2,044.38</b>	<b>1,116.23</b>
Provision for advance	(5.34)	5.34
Provision for doubtful debts	130.00	
Provision for unserviceable CWIP	-	3.41
<b>Total</b>	<b>2,169.04</b>	<b>1,124.98</b>

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. These 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

#### i) Income tax recognised in Statement of Profit and Loss

	31 March 2018	31 March 2017
		₹ Lakh
<b>Current tax expense</b>		
Current year	3398.00	4279.65
Adjustment for prior periods	0.16	(0.23)
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(43.58)	(91.65)
<b>Total income tax expense</b>	<b>3354.58</b>	<b>4187.77</b>

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

	₹ Lakh	
	31 March 2018	31 March 2017
Profit before tax	9480.99	11831.31
Tax using the Company's domestic tax rate of 34.608% (31 March 2017 - 34.608%)	3281.18	4094.58
Tax effect of:		
Non-deductible tax expenses	116.66	185.07
Deferred tax expense		
Origination and reversal of temporary differences	(43.58)	(91.65)
Others	0.32	(0.23)
<b>Total tax expense in the statement of profit &amp; loss</b>	<b>3354.58</b>	<b>4187.77</b>

## 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 ₹ 13.32 Lakh (Previous period ₹ 37.87 Lakh) and are included in Note 21-"Employees Benefits Expense". Similarly, lease payments in respect of premises for offices amounting to ₹ 521.78 Lakh (Previous period ₹ 499.19 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.

## 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-Vellur
  - NTPC-SAIL Power Company Pvt. Ltd.
  - Aravali Power Company Pvt. Ltd.
- iii) Key Management Personnel (KMP)
  - Shri A.K Gupta - Chairman
  - Shri Pramod Kumar - Director
  - Shri C.V Anand - Director
  - Ms. A. Satyabhama - Director
  - Shri A. K. Garg - CEO
  - Ms. Alka Sehgal- CFO till 19/6/2017
  - Mr. Kumar sanjay - CFO from 20/6/2017
  - Shri Nitin Mehra - Company Secretary

Transactions with the related parties are as follows:

Holding Company and Joint Venture Companies of Holding Company	₹ Lakh	
Particulars	2017-18	2016-17
Contracts for services received from JV of holding company	66.06	55.04
Purchase of goods from holding company	189,249.36	207,367.32
Purchase of goods from JV of holding company	4,705.55	3,206.58
Dividend paid to holding company *	5,000.00	-

\* Rs 2000 lakh paid in April 2018



₹ Lakh

	2017-18	2016-17
<b>Compensation to Key management personnel</b>		
- Short term employee benefits	88.33	75.45
- Post employment benefits	2.44	1.91
- Other long term benefits	17.80	17.27
- Termination benefits		27.01
<b>Total Compensation to Key management personnel</b>	<b>108.57</b>	<b>121.64</b>

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

₹ Lakh

	31 March 2018	31 March 2017
Utility Powertech Ltd.	19.44	4.93
NTPC Ltd.	22940.46**	23,372.46
NTPC-SAIL Power Company Pvt. Ltd. *	-	592.62
Aravali Power Company Pvt. Ltd. *	821.78	73.84

\* Payable towards exchange transaction in 2016-17

\*\* Excluding liability on account of IEX payable to NTPC Rs. 2676.93 Lakhs and expenses incurred by NTPC on NVVN behalf and debited to NVVN on sharing basis.

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 31.03.2018.

**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 31.03.2018	Year ended 31.03.2017
Net profit/(loss) after Tax used as numerator(₹ Lakh)	6126.41	7643.54
Weighted average number of equity shares used as denominator	20000000	20000000
Earning per share (Basic & Diluted)-(₹ )	30.63	38.22
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'**

Movements in provisions:

₹ Lakh

Particulars	Provision for arbitration cases		Provision for doubtful debts		Provision for doubtful advances		Provision for unserviceable CWIP	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Carrying amount at the beginning of the year	1,832.24	1,715.55	2.23	2.23	5.34	-	3.41	-
Additions during the year	804.25	116.69	130.00	-	-	5.34	-	3.41
Amounts used during the year	-	-	-	-	-	-	-	-
Reversal / adjustments during the year	-	-	-	-	5.34	-	-	-
Carrying amount at the end of the year	2,636.49	1,832.24	132.23	2.23	-	5.34	3.41	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 ₹ 4699.09 Lakh and interest claim of ₹ 2662.32 Lakh thereon (31st March 2017:contingent liability 23469.84 Lakh and interest claim of ₹ 14789.09 Lakh) has been estimated. Any possible liability crystallised 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 ₹ 117.57 Lakh (31st March 2017: ₹ 99.57 Lakh). Although company has already transferred the business of Fly Ash to NTPC Ltd in 1/1/2015.
- c) - 437.2195 Million units (3.84 Million units on 31.03.2017) supplied by the sellers under SWAP arrangements are yet to be returned - Amount uncertainable.
- d) Contingent Liability on Account of Income Tax Cases amounting to Rs. 2202.06 lakh ( Excluding demand deposit of Rs. 550.51 Lakh)

**31 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.

In the year 2017-18 , top 5 parties constitute 48.18% of total revenue ( In 2016-17 top 5 parties constitute 56.29% )

**32 Information in respect of micro and small enterprises as at 31 March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	₹ Lakh	
	31 March 2018	31 March 2017
a) Amount remaining unpaid to any supplier:		
Principal amount	23.77	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	-	-

**33 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:

Particulars	₹ Lakh	
	31 March 2018	31 March 2017
A. Amount required to be spent during the year	176.70	157.02
B. Shortfall amount of previous year	11.14	61.89
C. Total (A+B)	187.84	218.91
D. Amount spent during the year on-(in collaboration with NTPC)		
- Construction/ acquisition of any asset	1.60	136.27
- On purposes other than (i) above	168.60	71.50
Total	170.20	207.77
Shortfall amount appropriated to CSR reserve	17.64	11.14



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

Particulars	₹ Lakh	
	31 March 2018	31 March 2017
1. Swachh Vidyalaya Abhiyan	1.60	-
2. Healthcare and sanitation	-	-
3. Education and skill development	-	-
4. Rural development		103.05
5. Environment		53.18
6. Drinking water		51.54
7 Others (Support for flood affected people in Bihar)	168.6	
<b>Total</b>	<b>170.20</b>	<b>207.77</b>

### 34 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, cash & cash equivalents and deposits with banks and financial institutions.

#### Trade receivables

Trade receivables of the company can be divided into two parts- solar debtors & non-solar debtors.

The ageing analysis of the trade receivables is as below:

As on 31.03.2018

₹ 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	46.05	36762.27	12969.02	134.50	982.89	28719.81	79,614.54

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

#### Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹ 7183.89 Lakh (31 March 2017: ₹ 16418.99 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.

#### Capital Mangement

Total Share capital of the company is Rs. 20 crores . Company doesn't have any debt as on 31/3/2018. Company manages its capital structure through dividend payment and issue of fresh share capital.

## 35 Financial instruments

## Financial Assets

₹ Lakh

Sr. No	Particulars	As at March 31, 2018		As at March 31, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial assets designated at fair value through profit and loss				
a)	Nil	-	-	-	-
2	Financial assets designated at amortised cost				
c)	Trade receivables	79,614.54	79,614.54	53,970.29	53,970.29
d)	Cash and bank balances	25,282.90	25,282.90	34,798.79	34,798.79
3	Financial Asset designated at fair value through profit and loss				
a)	Nil	-	-	-	-
		104,897.44	104,897.44	88,769.08	88,769.08

## Financial Liabilities

₹ Lakh

Sr. No	Particulars	As at March 31, 2018		As at March 31, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial assets designated at fair value through profit and loss				
a)	Nil	-	-	-	-
2	Financial assets designated at amortised cost				
a)	Trade payables	106,460.50	106,460.50	85,087.79	85,087.79
b)	Other Financial Liabilities	25,020.69	25,020.69	25,507.47	25,507.47
		131,481.19	131,481.19	110,595.26	110,595.26

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

A The carrying amounts of current assets/ liability are to be the same as their fair values due to short term nature.

## Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

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

## For and on behalf of the Board of Directors

(Nitin Mehra)  
Company Secretary

(Kumar Sanjay)  
CFO

(A.K. Garg)  
CEO

(A.K. Gupta)  
Chairman

(Pramod Kumar)  
Director

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

(Naveen Aggarwal)  
Partner (M.No.094380)

Place: New Delhi  
Dated: 08.05.2018





## Independent Auditor's Report

To the Members of  
NTPC Vidyut Vyapar Nigam Limited

### Revised Report on the IND AS Financial Statements

This report is issued in supersession of our earlier audit report dated 08th May, 2018 to address the observations vide Half Margins issued by Office of the Principal Director of Commercial Audit & Ex Officio Member, Audit Board-III, New Delhi as communicated to us by the management of NTPC Vidyut Vyapar Nigam Limited via email dated 18th June 2018.

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 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and Cash Flows Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to 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 financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and change in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding 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 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 financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the 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 financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit, total comprehensive income, the change in equity and its cash flows 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 books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure B", on the directions and sub directions issued by the 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 including Other comprehensive income, statement of change in equity and the cash flows statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (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". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer note 30 to the 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

**For S.S. Kothari Mehta & Co.**

Chartered Accountants

Firm Registration Number: 000756N

(Naveen Aggarwal)

Partner

Membership Number: 094380

Place: New Delhi

Date: 03.07.2018



## 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 financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Having regard to the nature of business and size of fixed assets in the Company, the management has decided to conduct physical verification of fixed asset once in every 3 years because of which there was no physical verification conducted during the year under audit.
- Since no physical verification of fixed assets was conducted by management, we are unable to comment on the physical availability and condition of the fixed assets as on 31 March, 2018.
- (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 during the year 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 and according to the records of the Company, VAT, service tax and Goods & Service Tax are being deposited by the Company on regular basis with the appropriate authority during the year. According to the information and explanations given to us, apart from the outstanding interest on advance tax, there are no undisputed statutory dues in arrear as at 31 March 2018 for a period of more than six month from the date they became payable.

Duty of customs, duty of excise, value added tax, cess and other related statues are not applicable to the Company.

(b) According to the information and explanations given to us, there are no dues of VAT, income tax, Goods & Service tax and service tax which have not been deposited on account of any dispute except as given below. Duty of customs, duty of excise, Sales Tax, cess and other related statues are not applicable to the Company.

Name of the statute	Nature of dues	Period to which amount relates	Amount involved (Rs.)	Forum where dispute is pending
Income Tax Act 1961	Income Tax	F/Y 2012-13	2,02,99,002/-	CIT (Appeals)
		F/Y 2014-15	25,49,58,674/-	CIT (Appeals)

(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 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: 03.07.2018



### Annexure- B to the Auditor's Report

Annexure referred to in paragraph (2) 'Report on Legal and Other Regulatory Requirements' of our Independent auditor's report of even date to the members of NTPC Vidyut Vyapar Nigam Limited on accounts for the year ended 31 March 2018.

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 not applicable during the year.	Not Applicable
2	Whether there are any cases of waiver/ write from debts/loans/interest etc. If yes, the reasons there of and amount involved.	There were no waiver/ write off of debts/loans/ interest etc. during the year under audit	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

Place: New Delhi

Date: 03.07.2018

## 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'**

We have audited the internal financial controls over financial reporting of NTPC Vidyut Vyapar Nigam Limited ("the Company") as of March 31 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered accountants of India.

**For S.S. Kothari Mehta & Co.**

Chartered Accountants

Firm Registration Number: 000756N

(Naveen Aggarwal)

Partner

Membership Number: 094380

Place: New Delhi

Date: 03.07.2018



## 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 FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2018 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 revised Audit Report dated 03 July 2018.

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 2018. 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 Auditor's report

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

(Vikram D. Murugaraj)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board -III, New Delhi

Place: New Delhi  
Date : 24 July 2018