

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 Seventeenth Annual Report on the working of the Company for the financial year ended on 31 March 2019 together with Audited Financial Statements, Auditors' Report, Review by the Comptroller & Auditor General of India and Secretarial Audit Report for the reporting period.

FINANCIAL RESULTS

(₹ in Crore)

	2018-19	2017-18
Total Revenue	4,503.14	5,036.93
Total Expenses	4401.27	4942.12
Profit/(Loss) before Tax	101.87	94.81
Tax expenses	36.31	33.55
Profit/(Loss) for the year	65.56	61.26

DIVIDEND

During the financial year 2018-19, 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 the Central Electricity Regulatory Commission (CERC) notification, your Company has a trading licensee under Category I (highest category).

In the financial year 2018-19, your Company achieved highest ever power trading volume of 17,437 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 97 MUs.

During the financial year under review, your Company has earned revenue of ₹4,481.24 Crore from trade of 17,437 MUs of energy including 5,360 MUs under solar bundled power, 995 MUs under SWAP arrangements, 2,428 MUs bilateral trade, 3,124 MUs through exchange and 5,530 MUs under cross border trading as compared to revenue

of ₹5,015.27 Crore from trade of 17,278 MUs of energy including 5,749 MUs under solar bundled power, 1,527 MUs under SWAP arrangements, 2,745 MUs under bilateral trade, 3,344 MUs through exchange and 3,913 MUs under cross border trading during the previous financial year.

The overall volume of energy traded by the Company during the financial year 2018-19 has increased by 0.92%. During the financial year under review, your Company has operating margin (revenue less purchase) of ₹111.53 Crore as compared to ₹112.80 Crore during the previous financial year registering decrease of 1.13%.

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 the 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 1,000 MW solar capacity. As on 31 March 2019 the total commissioned capacity under the scheme of batch I of Phase I of JNNSM is 733 MW.

During the financial year 2018-19, total of 5,360 MUs of bundled solar power (including 1,107 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 to Damodar Valley Corporation.

Your Company has signed a Power Purchase Agreement (PPA) on 6 March 2019 with Central Railways for supply of 50.4 MW wind power for 25 years from NALCO.

Your Company has been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. As per the PPA for supply of 250 MW power for 25 years from NTPC stations, signed with Bangladesh Power Development Board (BPDB), your Company has supplied 1,971 MUs during

the financial year 2018-19. Further, your Company has signed PPA on 15 March 2016, with BPDB, for supply of 100 MW power. A supplementary agreement has been signed on 10 April 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 2018-19, about 1,006 MUs of energy has been supplied to Bangladesh from TSECL.

In addition to above, your Company has signed PPA in September 2018 with BPDB for supplying 300 MW Round the Clock (RTC) power from Damodar Valley Corporation to Bangladesh. During the financial year 2018-19, about 1,176 MU of energy has been supplied to Bangladesh under this arrangement.

Your Company has signed PPA with Nepal Electricity Authority (NEA) on 12 February 2019, for supply of upto 350 MW power from June 2019 to June 2020 through 400/200 kV Muzaffarpur - Dhalkebar A/C line under radial mode from Indian market. During the financial year 2018-19, about 1,377 MUs of energy has been supplied to Nepal.

Your Company has signed trading agreement with NEA for trading of power in power exchange platform in line with cross border policy issued by Ministry of Power, Government of India.

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, ESCerts 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 played key role in meeting the power demand of Andaman and Nicobar Islands. 5 MW and 15 MW DG Power Plants have already been commissioned on April 29, 2018 and October 17, 2018, respectively, in Andaman Nicobar Islands. Your

Company is going to implement 50 MW LNG Dual Fuel Power Project (LNG & Diesel) at Hope Town in South Andaman District. Tender for main plant has been floated and the project is likely to be commissioned by March 2021.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31 March 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) had appointed M/s S.P. Marwaha & Co., Chartered Accountants as statutory auditors of the Company for the financial year 2018-19.

The statutory auditors have given unqualified report on financial statements of the Company for the financial year 2018-19.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 8 July 2019 communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31 March 2019 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 2018-19 are being placed with the report of Statutory Auditors of your company elsewhere in this Annual Report.

PARTICULARS OF EMPLOYEES

As per notification dated 5 June 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 2018-19. The report of the secretarial auditors is enclosed at Annexure-II.

Secretarial auditors have given unqualified report for the financial year 2018-19.

REPORTING OF FRAUD

The statutory auditors, secretarial auditors and C&AG 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 2018-19 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 Chepuru Venkata Anand (DIN: 08087484)	Director
3.	Shri Anil Kumar Gautam (DIN: 08293632)	Director
4.	Ms. Nandini Sarkar (DIN: 08081386)	Director

NTPC Limited (NTPC), 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 (2018-19)	Date of cessation (2018-19)
Shri Prasant Kumar Mohapatra (DIN: 07800722) ¹	June 29, 2018	-
Shri Anand Kumar Gupta, ² (DIN: 07269906)	-	June 29, 2018
Smt. A. Sathyabhama ³ (DIN: 06904946)	-	July 31, 2018
Ms. Nandini Sarkar ¹ (DIN: 08081386)	August 3, 2018	-
Shri Pramod Kumar, ³ (DIN: 07992859)	-	November 30, 2018
Shri Anil Kumar Gautam ¹ (DIN: 08293632)	December 3, 2018	-

¹ NTPC, the holding company, nominated as Additional Director.

² NTPC, the holding company, withdrawn the nomination.

³ Consequent upon superannuation from the services of NTPC, the holding company, ceased to be Director of the Company.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Anand Kumar Gupta, Smt. A. Sathyabhama and Shri Pramod Kumar during their association with the Company.

Shri Anil Kumar Gautam holds office up to the date of this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC, proposing his candidature for the office of Director liable to retire by rotation.

In accordance with the provisions of Companies Act, 2013, Ms. Nandini Sarkar (DIN: 08081386) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers herself for reappointment.

Number of meetings of the Board

During the financial year under review, 10 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
12 April 2018	4	3
8 May 2018	4	4
3 August 2018	4	4
3 August 2018	4	4
11 September 2018	4	3
6 November 2018	4	4
27 December 2018	4	4
25 January 2018	4	4
13 March 2019	4	4
27 March 2019	4	4

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 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 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 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 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 with the constitution of the Audit Committee, as required under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India.

At present, Audit Committee of the Board of Directors comprise of Shri Anil Kumar Gautam, Chairman, Shri Chepuru Venkata Anand, Director and Ms. Nandini Sarkar, Director.

During the financial year under review 6 meetings of the Audit Committee were held on the following dates:

Date of Audit Meeting	Total strength of the Directors	No. of Directors present
8 May 2018	3	3
3 August 2018	3	3
11 September 2018	3	2
6 November 2018	3	3
27 December 2018	3	3
13 March 2019	3	3

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

CORPORATE RESPONSIBILITY

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 consist of Shri Prasant Kumar Mohapatra, Chairman, Shri Chepuru Venkata Anand, Director and Shri Anil Kumar Gautam, Director.

During the financial year under review 2 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
3 August 2018	3	3
13 March 2019	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 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 July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014, now your Company is not required to constitute Nomination and Remuneration (NRC) Committee under the Companies Act, 2013. Your Company has continued with the constitution of the NRC Committee, as required under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India.

At present, NRC Committee comprises of Shri Chepuru Venkata Anand, Chairman, Shri Anil Kumar Gautam, Director and Ms. Nandini Sarkar, Director.

During the financial year under review 2 meeting of the NRC Committee were held on the following date:

Date of the Nomination and Remuneration Committee	Total strength of the Directors	No. of Directors present
3 August 2018	3	3
11 September 2018	3	2

The detail of number of the NRC 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 31 March 2019, to which the financial statements relate 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 2018-19, 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 ₹1,571.59 crore from trade of power in foreign currency as compared to ₹999.35 crore foreign currency earned during the financial year 2017-18. An expenditure of ₹0.18 crore, in foreign currency has been incurred mainly towards travelling of employees and other payments/reimbursements, during the financial year

under review as compared to ₹0.09 crore expenses incurred towards travelling of employees during the financial year 2017-18.

ACKNOWLEDGMENT

The Board of Directors of your Company wishes to place on record their appreciation for the support and co-operation extended by NTPC, 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



**(PRASANT KUMAR MOHAPATRA)
CHAIRMAN
DIN: 07800722**

Place: New Delhi
Date: July 18, 2019

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Trading is an essential tool, which plays an important role in optimization of resources by utilizing the surpluses of seasons or time of day of a state / utility to meet the unmet demand / deficits of the same or another state / utility/ 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.

The 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, net worth, current ratio and liquidity ratio. During financial year 2018-19, out of the electricity generation of approximately 1,245 Billion units (BUs), approximately 120 BUs were traded, representing 9.64% of trading to total generation.

The short term power market volume increased to 120 BUs in financial year 2018-19 as compared to 104 BUs during financial year 2017-18, registering a growth of 15.38%. During the financial year 2018-19 there is substantial growth in the volume of bilateral trading through traders by 24.39% and power exchange by 8.70% as compared to previous year.

Structure of power market in India*

(i)	Long -Term (88.34%)	1,100
(ii)	Power Trading (9.64%)	120
(iii)	Balancing Market (UI) (2.02 %)	25
	Total	1,245

The trading of power in India*

(i)	Bilateral Trading	51 BU
(ii)	Bilateral Direct	19 BU
(iii)	Through Power Exchange	50 BU
	Total	120 BU

*Source: CERC (2018-19).

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC 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 transmission capacity has increased to 99,050 MW (*Source: Central Electricity Authority 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 Distribution companies (DISCOMs). The financial health of 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

As per PPA for supply of 250 MW power for 25 years from NTPC stations, signed with BPDB, your Company has supplied 1,971 Mus during the financial year 2018-19. Further, your Company has signed PPA on 15 March 2016, with BPDB, for supply of 100 MW power. A supplementary agreement has been signed on 10 April 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, regulations have been issued by the CERC and further Conduct of Business Rules of Designated Authority from CEA is expected in financial year 2019-20, 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 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 the Board.

The trading margin capped by the 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 is governed by the framework of Risk Management in NTPC. 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. 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. 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. The internal audit reports are regularly reviewed by the Audit Committee of the Board of Directors.

PERFORMANCE DURING THE YEAR

Operations

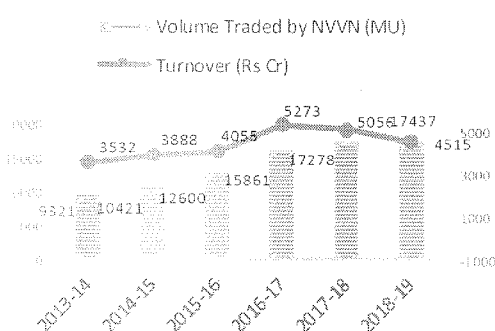
Your Company has been issued license under category "I" which allows trading of 1,000 MUs and above every year without any upper limit.

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

Description	2018-19	2017-18
Trading of Power	Million units	
Bilateral Trading	2,428	2,745
Power SWAP Arrangements	995	1,527
Solar Bundled Power	5,360	5,749
Cross Border Trading	5,530	3,913
Trading through exchange	3,124	3,344
Total	17,437	17,278

During the financial year 2018-19, your Company traded 17,437 MUs of power, which includes 5,360 MUs of bundled solar power under JNNISM. The overall volume of power traded by Company has increased by 0.92% over last year.

PERFORMANCE OF NVVN



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 2017-18 has been rated as "Excellent" by Department of Public Enterprises. Your Company successfully accomplished the MoU 2018-19 targets of technology up-gradation under which your Company has completed automation of power trading 14 December 2018, against the MoU target of 15 December 2018. Also under the target of cross border trading, Company has achieved 5,530 MU against the MoU target of 3,500 MU.

Financial Performance

The revenue of your Company comprises of mainly sales from Energy traded.

₹ in Crore

Description	2018-19	2017-18
Revenue from Operations		
Energy	4,514.54	5,056.05
Rebate on energy sale	(33.30)	(40.78)
Other income	21.90	21.66
Total	4,503.14	5,036.93

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

₹ in Crore

Description	2018-19	2017-18
Purchase of energy	4,445.61	4,979.59
Rebate from sellers	(75.89)	(77.13)
Employee benefits expense	17.67	17.57
Other expenses	13.09	21.69
Total operating expenses	4,400.48	4,941.72

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

₹ in Crore

Description	2018-19	2017-18
Total operating expenses	4,400.48	4,941.72
Finance cost	0.69	0.35
Depreciation, amortization and impairment expense	0.10	0.05
Total expenses including operating expenses	4,401.27	4,942.12

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 ₹0.54 Crore as on 31 March 2019.

During the year, the Company earned profit after tax of ₹65.56 Crore an increase of 7.02% over the previous year.

₹ in Crore

Description	2018-19	2017-18
Profit before tax	101.87	94.81
Tax expenses	36.31	33.55
Profit for the year	65.56	61.26

Dividend

During the financial year 2018-19, 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 2018-19, a sum of ₹39.50 Crore have been added to general reserve as compared to ₹1.20 Crore in the previous year.

Current Assets

The current assets at the end of the financial year 2018-19 were ₹1,813.47 Crore as compared to ₹1,650.68 Crore in financial year 2017-18 registering an overall increase of 9.86%.

Description	₹ in Crore	
	31.3.2019	31.3.2018
Trade receivables	1,063.34	796.15
Cash and cash equivalents	1.81	175.99
Other bank balances	265.66	76.84
Other financial assets	478.24	597.34
Other current assets	4.42	4.36
Total Current Assets	1,813.47	1,650.68

The increase in total current assets was mainly due to increase in trade receivables from ₹796.15 Crore on 31 March 2018 to ₹1,063.34 Crore on 31 March 2019. 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 decreased to ₹474.35 Crore on 31 March 2019 against ₹596.32 Crore on 31 March 2018.

Current Liabilities

During the financial year 2018-19, current liabilities have increased to ₹1,496.65 Crore as compared to ₹1,374.59 Crore in the financial year 2017-18, mainly on account of increase in trade payables.

Description	₹ in Crore	
	31.03.2019	31.03.2018
Trade payables	883.20	1,064.60
Other financial liabilities	577.32	274.28
Other current liabilities	7.52	9.35
Provisions	25.86	26.36
Current tax liabilities (net)	2.75	-
Total Current Liabilities	1,496.65	1,374.59

Cash Flow Statement

₹ in Crore

Description	2018-19	2017-18
Opening cash and cash equivalents	175.99	183.80
Net cash from operating activities	(130.15)	23.77
Net cash from investing activities	4.15	4.53
Net cash flow from financing activities	(48.18)	(36.11)
Net change in cash and cash equivalents	(174.18)	(7.81)
Closing cash and cash equivalents	1.81	175.99

The closing cash and cash equivalent for the financial year ended March 31, 2019 has decreased to ₹1.81 Crore in the current year from ₹175.99 Crore in the previous year.

Financial Indicators

The various performance indicators for the financial year 2018-19 as compared to financial year 2017-18 are as under: -

₹ in Crore

Description	2018-19	2017-18
A) Capital employed	350.71	311.12
ii) Net worth	350.71	311.12
B) Return on Capital Employed (PBT/CE) (in %)	29	30
ii) Return on net worth (PAT/NW) (in %)	19	20
C) Dividend as % of Equity Capital	100	100
D) Earning per share in ₹ (EPS) before exceptional item	32.78	30.63

The capital employed as well as net worth has increased due to addition of profit earned during the current financial year.

Procurement from MSEs

Your Company during the financial year under review has procured goods and services amounting to ₹2.27 Crore out of which procurement of goods and services from Micro and Small Enterprises (MSEs) was ₹0.19 Crore. The percentage procurement from MSEs was 8.37%.

Sexual Harassment of women at workplace.

All the employees of the Company are on secondment basis from holding company viz. NTPC. 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 31 March 2019, there were 34 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 with 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



**(PRASANT KUMAR MOHAPATRA)
CHAIRMAN
DIN: 07800722**

Place: New Delhi
Date: July 18, 2019



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

{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 31st March, 2019 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 31st March, 2019 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'):- **Not Applicable**



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) 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:

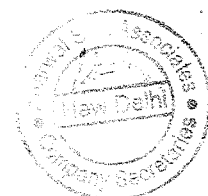
- (a) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India- *Generally complied with.*
- (b) Securities & Exchange Board of India (Listings Obligations and Disclosure Requirements) Regulations, 2015. **Not Applicable.**

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,
ICSI Unique Code: P2003DE049100



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

Date: June 25, 2019
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.

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 inspection of records produced before us for 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 and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever 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 is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
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,
ICSI Unique Code: P2003DE049100



A handwritten signature in black ink, appearing to read 'Sachin Agarwal'.

CS Sachin Agarwal
Partner

FCS No. : 5774
C.P No. : 5910

Date: June 25, 2019
Place: New Delhi

Annexure-III

financial year under review is as follows:

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 2018-19
Shri Anand Kumar Gupta (ceased w.e.f. 29.06.2018)	Chairman	2 out of 2
Shri Prasant Kumar Mohapatra (appointed Chairman w.e.f. 29.06.2018)	Chairman	8 out of 8
Shri Pramod Kumar (ceased w.e.f. 30.11.2018)	Director	6 out of 6
Shri Chepuru Venkata Anand	Director	9 out of 10
Mrs. A. Sathyabhama (ceased w.e.f. 31.07.2018)	Director	1 out of 2
Shri Anil Kumar Gautam (appointed w.e.f. 03.12.2018)	Director	4 out of 4
Ms. Nandini Sarkar (appointed w.e.f. 03.08.2018)	Director	8 out of 8

Name of the Director	Designation	Attendance during 2018-19
Shri Pramod Kumar (ceased w.e.f. 30.11.2018)	Chairman	2 out of 2
Shri Chepuru Venkata Anand	Director	1 out of 2
Ms. Nandini Sarkar (appointed w.e.f. 03.08.2018)	Director	2 out of 2

Note: Shri Anil Kumar Gautam, the current member of the Nomination and Remuneration Committee (NRC) is not included in the above details as he is appointed w.e.f. December 3, 2018, and no meeting of NRC was held after his appointment.

For and on behalf of the Board of Directors


(PRASANT KUMAR MOHAPATRA)
CHAIRMAN
DIN: 07800722

Place: New Delhi
Date: July 18, 2019

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 2018-19
Shri Pramod Kumar (ceased w.e.f. 30.11.2018)	Chairman	4 out of 4
Shri Anil Kumar Gautam (appointed w.e.f. 03.12.2018)	Chairman	2 out of 2
Shri Chepuru Venkata Anand	Director	5 out of 6
Mrs. A. Sathyabhama (ceased w.e.f. 31.07.2018)	Director	1 out of 1
Ms. Nandini Sarkar (appointed w.e.f. 03.08.2018)	Director	5 out of 5

CORPORATE SOCIAL RESPONSIBILITY

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 2018-19
Shri Prasant Kumar Mohapatra (appointed Chairman w.e.f. 29.06.2018)	Chairman	2 out of 2
Shri Pramod Kumar (ceased w.e.f. 30.11.2018)	Director	1 out of 1
Shri Chepuru Venkata Anand	Director	2 out of 2
Shri Anil Kumar Gautam (appointed w.e.f. 03.12.2018)	Director	1 out of 1

Nomination and Remuneration Committee.

The detail of number of the Nomination and Remuneration Committee meeting attended by each Director, during the

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.

2. The composition of the CSR Committee as on 31 March 2019.

Name of the Director	Designation
Shri Prasant Kumar Mohapatra	Chairman
Shri C.V. Anand	Director
Shri A.K. Guatam	Director

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. 2015-16, 2016-17 and 2017-18 is ₹ 97.80 Crore.

4. Prescribed CSR Expenditure.

The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹ 97.80 Crore i.e. ₹ 1.96 Crore in the financial year 2018-19 plus spillover of ₹0.17 Crore from previous financial year 2017-18

5. Details of CSR spent during the financial year 2018-19.

(a)	Total amount spent for the financial year	:	₹ 0.09 Crore
(b)	Amount unspent, if any	:	₹ 2.04 Crore
(c)	Manner in which the amount spent during the financial year	:	Detailed below

(1) S.No	(2) CSR project or activity identified.	(3) Sector in Which the Project is covered.	(4) Projects or Programs (1) Local area or other (2) Specify the State and the district where projects or programs was undertaken.	(5) Amount outlay (budget) Project or Programs wise (Amount in ₹ Crore)	(6) Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in ₹ Crore)	(7) Cumulative expenditure upto to the reporting period. (Amount in ₹ Crore)	(8) Amount spent: Direct or through implementing agency
1.	Installation of Roof Top Solar Plant (10 kW) at Ram Mandir, Hathin Distt Palwal Haryana	Rural development projects	Village Hathin, Palwal Haryana	0.09	0.09	0.09	Through Implementing agency.
2.*	Providing 11 nos of Portable Compactor Systems (PCTS) to Municipal Corporation Lucknow	promoting sanitation	Lucknow, Uttar Pradesh	1.85	0	0	NA
3.**	Construction of 4 rooms along with varandah near Sim Baba Chowk, Tetulmari (Dhandbad) in ward No 04	Rural development projects		0.19	0	0	NA
Total				2.13	0.09	0.09	

* This project could not be undertaken in the financial year 2018-19.

** Project was considered in financial year 2017-18 but amount was not spent. The same project could not be undertaken in financial year 2018-19.

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 2018-19, 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 2019-20 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


(ASIM KUMAR PODDAR)
Chief Executive Officer


(PRASANT KUMAR MOHAPATRA)
CHAIRMAN
DIN: 07800722

Place: New Delhi
Date: July 18, 2019

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 2 months, 3 months and 1 year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	: Total Contract value would be restricted to maximum ₹ 1.21 Crore (approx.) including 20% future escalation per annum.
(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	: December 27, 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



**(PRASANT KUMAR MOHAPATRA)
CHAIRMAN
DIN: 07800722**

Place: New Delhi
Date: July 18, 2019

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

(ii) Shareholding of Promoters

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

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

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

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

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top 10 shareholders				
	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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the Directors and KMP				
1.	Shri Anand Kumar Gupta, Chairman, (As Nominee of NTPC Limited) (ceased to be Chairman w.e.f. 29.06.2018)				
	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	-
2.	Shri Prasant Kumar Mohapatra, Chairman, (As Nominee of NTPC Limited) (Chairman w.e.f. 29.06.2018)				
	At the beginning of the year	Nil	-	Nil	-
	Equity shares transferred on 03.08.2018	100	-	100	-
	At the End of the year	100	-	100	-
3.	Shri C.V. Anand, Director, (As Nominee of NTPC Limited)				
	At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	100	-	100	-
	At the End of the year	100	-	100	-
4.	Shri Nandini Sarkar, Director, (As Nominee of NTPC Limited) (appointed to be Director w.e.f. 31.07.2018)				
	At the beginning of the year	Nil	-	Nil	-
	Equity shares transferred on 11.09.2018	100	-	100	-
	At the End of the year	100	-	100	-
5.	Shri Pramod Kumar, Director, (As Nominee of NTPC Limited) (ceased to be Director w.e.f. 30.11.2018)				
	At the beginning of the year	100	-	100	-
	Equity shares transferred on 25.01.2019	100	-	100	-
	At the End of the year	Nil	-	Nil	-
6.	Shri Anil Kumar Gautam, Director, (As Nominee of NTPC Limited) (Director w.e.f. 03.12.2018)				
	At the beginning of the year	Nil	-	Nil	-
	Equity shares transferred on 25.01.2019	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 excluding deposits	Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-	-
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i + ii + iii)	-	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-	-
• Addition					
• Reduction					
Net Change	-	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-	-
i) Principal amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i + ii + iii)	-	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

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

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

SI. 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	19,38,767	30,99,856	58,40,816	108,79,439
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6,985	95,287	7,30,803	8,33,075
	(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	19,45,752	31,95,143	65,71,619	117,12,514

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors


(PRASANT KUMAR MOHAPATRA)
CHAIRMAN
DIN: 07800722

Place: New Delhi
Date: July 18, 2019

NTPC VIDYUT VYAPAR NIGAM LTD.

BALANCE SHEET AS AT 31 MARCH 2019


Particulars	Note No.	₹ Lakh	
		As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	24.67	9.86
Capital work-in-progress	3	4.37	23.72
Deferred tax Asset (net)	4	41.96	48.60
Other non-current assets	5	3,522.43	3,439.59
Total non current assets		3,593.43	3,521.77
Current assets			
Financial assets			
Trade receivables	6	1,06,334.23	79,614.54
Cash and cash equivalents	7	180.60	17,599.01
Bank balances other than cash and cash equivalents	8	26,565.81	7,684.09
Other financial assets	9	47,824.10	59,734.02
Other current assets	10	441.81	436.29
Total current assets		1,81,346.55	1,65,067.95
TOTAL ASSETS		1,84,939.98	1,68,589.72
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,000.00	2,000.00
Other equity	12	33,275.40	29,130.29
Total equity		35,275.40	31,130.29
Liabilities			
Current liabilities			
Financial liabilities			
Trade Payables			
Micro & Small Enterprises	13	2.05	23.77
Creditors other than Micro & Small Enterprises	13	88,318.59	1,06,436.73
Other financial liabilities	14	57,731.65	27,427.84
Other current liabilities	15	751.73	934.60
Provisions	16	2,585.54	2,636.49
Current tax liabilities (net)	17	275.02	-
Total current liability		1,49,664.58	1,37,459.43
TOTAL EQUITY AND LIABILITIES		1,84,939.98	1,68,589.72


Significant accounting policies 1


The accompanying notes 1 to 39 form an integral part of these financial statements.


For and on behalf of the Board of Directors


(Nitin Mehra)
Company Secretary


(Kumar Sanjay)
CFO



(Rajnish Bhagat)
CEO


(A. K. Gautam)
Director
(DIN 8293632)


(P. K. Mohapatra)
Chairman
(DIN 07800722)

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

For S. P. Marwaha & Co
Chartered Accountants
FRN: 080229R


Ashutosh Saxena
Partner
M.No.086358



Place : New Delhi

Dated : 18/03/2019

NTPC VIDYUT VYAPAR NIGAM LTD.

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

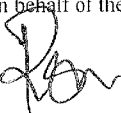
Particulars	Note No.	₹ Lakh	
		For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	18	4,48,124.41	5,01,526.73
Other income	19	2,190.04	2,166.34
Total income		4,50,314.45	5,03,693.07
Expenses			
Purchase of energy	20	4,36,971.47	4,90,246.45
Employee benefits expense	21	1,767.41	1,756.74
Finance costs	22	69.96	35.38
Depreciation, amortization and impairment expense	23	9.55	4.47
Other expenses	24	1,308.70	2,169.04
Total expenses		4,40,127.09	4,94,212.08
Profit before tax		10,187.36	9,480.99
Tax expense			
Current tax			
Current year		3,626.39	3,398.00
Earlier years		(1.89)	0.16
Deferred tax		6.64	(43.58)
Total tax expense		3,631.14	3,354.58
Profit for the year		6,556.22	6,126.41
Other Comprehensive income/(expense)		-	-
Total Comprehensive income for the year		6,556.22	6,126.41
Earnings per equity share (Par value ₹10/- each)			
Basic & Diluted (₹)	31	32.78	30.63
Significant accounting policies	1		


The accompanying notes 1 to 39 form an integral part of these financial statements.


For and on behalf of the Board of Directors


(Nitin Mehra)
Company Secretary


(Kumar Sanjay)
CFO


(Rajnish Bhagat)
CEO


(A. K. Gautam)
Director
(DIN 8293632)


(P. K. Mohapatra)
Chairman
(DIN 07800722)

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

For S. P. Marwaha & Co
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M.No.086358



Place : New Delhi

Dated : 19/05/2019

NTPC VIDYUT VYAPAR NIGAM LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,187.36	9,480.99
Adjustment for:		
Depreciation, amortization and impairment expense	9.55	4.47
Interest charges	69.96	35.38
Interest/income on term deposits/investments	(436.24)	(541.91)
Provisions	-	(5.34)
Loss on disposal of property, plant and equipment	0.56	0.33
Profit on disposal of property, plant and equipment	(0.28)	(0.04)
Operating Profit before Working Capital Changes	9,830.91	8,973.88
Adjustment for:		
Trade and other receivables	(14,522.72)	(32,873.63)
Trade payable, provisions and other liabilities	13,894.31	21,434.86
Bank balances other than cash and cash equivalents	(18,881.72)	8,734.90
Other financial assets and other assets	(276.43)	(92.67)
	(19,786.56)	(2,796.54)
Cash generated from operations	(9,955.65)	6,177.34
Income taxes (paid) / refunded	(3,059.31)	(3,780.65)
Interest on taxes paid	-	(19.99)
Net Cash from Operating Activities - A	(13,014.96)	2,376.70
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5.85)	(23.72)
Disposal of property, plant and equipment	0.55	0.51
Interest/income on term deposits/investments received	420.11	476.46
Net Cash used in Investing Activities - B	414.81	453.25
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(4,000.00)	(3,000.00)
Tax on dividend	(818.26)	(610.73)
Net Cash from financing activities - C	(4,818.26)	(3,610.73)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(17,418.41)	(780.79)
Cash and cash equivalents at the beginning of the year (see note 1 and 2 below)	17,599.01	18,379.80
	180.60	17,599.01
Cash and cash equivalents at the end of the year (see note 1 and 2 below)		

Notes:

- Cash and Cash Equivalents consist of balances with banks and deposits with original maturity of upto three months.
- Reconciliation of cash and cash equivalents:
Cash and cash equivalents as per Note 7

For and on behalf of the Board of Directors

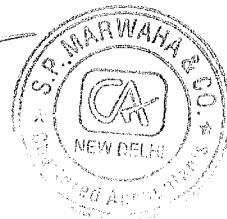
 (Nifin Mehra) Company Secretary	 (Kumar Sanjay) CFO	 (Rajnish Bhagat) CEO	 (A. K. Gautam) Director (DIN 8293632)	 (P. K. Mohapatra) Chairman (DIN 07800722)
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This is the Statement of cash flows referred to in our report of even date

For S. P. Marwaha & Co
Chartered Accountants

FRN: 0002297

Ashutosh Saxena
Partner
M.No.086358



Place : New Delhi

Dated : 15/03/2019

NTPC VIDYUT VYAPAR NIGAM LTD.

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

(A) Equity share capital

For the year ended 31 March 2019

₹ Lakh

Balance as at 1 April 2018	2,000
Changes in equity share capital during the year	-
Balance as at 31 March 2019	2,000

For the year ended 31 March 2018

₹ Lakh

Balance as at 1 April 2017	2,000
Changes in equity share capital during the year	-
Balance as at 31 March 2018	2,000

(B) Other equity

For the year ended 31 March 2019

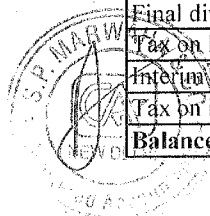
₹ Lakh

Particulars	Reserves & Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2018	17.64	29,099.38	13.27	29,130.29
Profit for the year			6,556.22	6,556.22
Other comprehensive Income/(expense)				-
Total Comprehensive Income	17.64	29,099.38	6,569.49	35,686.51
Transfer to retained earnings	(17.64)			(17.64)
Transfer from retained earnings	204.31	3,950.00		4,154.31
Transfer to CSR reserve			(204.31)	(204.31)
Transfer from CSR reserve			17.64	17.64
Transfer to general reserve			(3,950.00)	(3,950.00)
Interim dividend paid for FY 2018-19 (Note 11)			(2,000.00)	(2,000.00)
Tax on interim dividend			(411.11)	(411.11)
Balance as at 31 March 2019	204.31	33,049.38	21.71	33,275.40

For the year ended 31 March 2018

₹ Lakh

Particulars	Reserves & Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2017	11.14	28,979.38	31.24	29,021.76
Profit for the year			6,126.41	6,126.41
Other comprehensive Income/(expense)				-
Total Comprehensive Income	11.14	28,979.38	6,157.65	35,148.17
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			(120.00)	(120.00)
Final dividend paid for FY 2016-17 (Note 11)			(3,000.00)	(3,000.00)
Tax on Final dividend			(610.73)	(610.73)
Interim dividend paid for FY 2017-18 (Note 11)			(2,000.00)	(2,000.00)
Tax on interim dividend			(407.15)	(407.15)
Balance as at 31 March 2018	17.64	29,099.38	13.27	29,130.29



Note-1 Company Information and Significant Accounting Policies

A. Reporting entity

NVVN Limited (the "Company"), a wholly owned subsidiary of NTPC Limited, 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, Lodhi Road, New Delhi - 110003. The Company is primarily engaged in the business of trading power within the country and some of its neighbouring countries.

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were authorized for issue by the Board of Directors on 10 May 2019.

2. Basis of measurement

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

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

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

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:



- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

Items of property, plant and equipment are 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. Subsequent costs

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

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



1.3. 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.

1.4. 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. Capital work-in-progress

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

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

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

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. Subsequent costs:

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



3.3. De-recognition

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

3.4. Amortization

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

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

4. Cash and cash equivalents

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

5. Provisions , Contingent liabilities and Contingent Assets

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

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

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

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

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

6. Revenue

Company's revenues arise from trading of energy, 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 energy 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 and consultancy fee, sale of asset, other miscellaneous income including liquidated damages recovered, etc.

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018 and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The details of accounting policies as per Ind AS 18 and Ind AS 11 are disclosed separately if they are different from those under Ind AS 115.

6.1. Revenue from sale of energy

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

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

Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiaries. beneficiaries 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 beneficiaries 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 beneficiaries. 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.

6.2. Revenue from services

Revenue from consultancy, project management and supervision services rendered is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the services is transferred to a customer.

In the comparative period, revenue from consultancy, project management and supervision services rendered was recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective consultancy contracts.

Reimbursement of expenses are recognized as other income, as per the terms of the service contracts.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at



the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

6.3. Other income

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

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

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

7. 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.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to statement of profit and loss.

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

8. Income tax

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

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

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

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

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

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



9. 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.

10. 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 on a straight-line basis over the lease term.

11. Foreign currency transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of profit and loss in the year in which it arises.

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

12. 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.

12.1. Financial assets

Initial recognition and measurement

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



Subsequent measurement

Debt instruments at amortized cost

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

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

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

Debt instrument at FVTOCI (Fair value through OCI)

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

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

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

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

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

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

De-recognition

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

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



transferred control of the asset.

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

Impairment of financial assets

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

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables and contract assets (i.e. unbilled revenue) under Ind AS 115.
- (e) Loan commitments which are not measured as at FVTPL.
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For trade receivables and unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

12.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings or payables, as appropriate. All financial liabilities are recognized 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. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.



Financial liabilities at fair value through profit or loss

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings or payables as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

De-recognition

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

13. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as



those that can be allocated on a reasonable basis. Unallocated items comprise mainly common expenses, finance costs, income tax expenses and common income.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

14. 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.

15. Material prior period errors

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

16. Earnings per share

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

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

17. 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 recognised in the period in which the estimates are revised and in any future periods affected.

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

1. Revenue

The Company records revenue from sale of energy 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. Income taxes

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

3. 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.



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2. Non-current assets - Property, plant and equipment

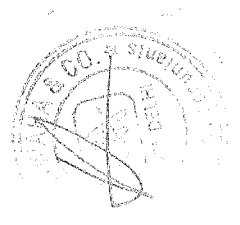
Particulars	As at 31 March 2019		Gross block		Depreciation, amortisation and impairment			Net block		₹ Lakh
	As at 1 April 2018	As at 31 March 2019	Additions	Deductions/ adjustments	Upto 1 April 2018	For the year	Deductions/ adjustments	Upto 31 March 2019	As at 31 March 2019	
Furniture and fixtures	8.05	8.05	-	-	4.01	1.25	-	5.26	2.79	4.04
Office equipment	6.82	6.38	-	0.44	3.20	1.05	0.34	3.91	2.47	3.62
EDP, WP machines and satcom equipment	9.32	30.62	25.20	3.90	7.87	7.18	3.16	11.89	18.73	1.45
Communication equipments	0.96	0.96	-	-	0.21	0.07	-	0.28	0.68	0.75
Total	25.15	46.01	25.20	4.34	15.29	9.55	3.50	21.34	24.67	9.86

Particulars	As at 31 March 2018		Gross block		Depreciation, amortisation and impairment			Net block		₹ Lakh
	As at 1 April 2017	As at 31 March 2018	Additions	Deductions/ adjustments	Upto 1 April 2017	For the year	Deductions/ adjustments	Upto 31 March 2018	As at 31 March 2018	
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	9.32	-	0.82	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
Total	25.97	25.15	-	0.82	12.91	3.15	0.77	15.29	9.86	13.06

Non-current assets - Intangible assets

Particulars	As at 31 March 2019		Gross block		Amortisation			Net block		₹ Lakh
	As at 1 April 2018	As at 31 March 2019	Additions	Deductions/ adjustments	Upto 1 April 2018	For the year	Deductions/ adjustments	Upto 31 March 2019	As at 31 March 2018	
Software	7.69	7.69	-	-	7.69	-	-	7.69	-	-
Total	7.69	7.69	-	-	7.69	-	-	7.69	-	-

Particulars	As at 31 March 2018		Gross Block		Amortisation			Net block		₹ Lakh
	As at 1 April 2017	As at 31 March 2018	Additions	Deductions/ adjustments	Upto 1 April 2017	For the year	Deductions/ adjustments	Upto 31 March 2018	As at 31 March 2017	
Software	7.69	7.69	-	-	6.37	1.32	-	7.69	-	1.32
Total	7.69	7.69	-	-	6.37	1.32	-	7.69	-	1.32



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3. Non-current assets - Capital work-in-progress

As at 31 March 2019					₹ Lakh
Particulars	As at 1 April 2018	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2019
EDP/WP machines & satcom equipment	27.13	1.48	-	25.20	3.41
Less : Provision for unserviceable CWIP	3.41	-	-	-	3.41
	23.72	1.48	-	25.20	-
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	-	4.37	-	-	4.37
Total	23.72	5.85	-	25.20	4.37

As at 31 March 2018					₹ Lakh
Particulars	As at 1 April 2017	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2018
EDP/WP machines & satcom equipment	3.41	23.72	-	-	27.13
Less : Provision for unserviceable CWIP	3.41	-	-	-	3.41
Total	-	23.72	-	-	23.72

During the year 2017-18, company has made addition in CWIP amounting to ₹ 23.72 lakh for purchase of personal Computers for its employees.



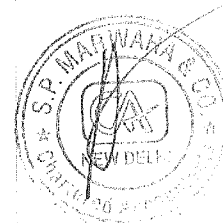
NTPC VIDYUT VYAPAR NIGAM LTD.

4. Non-current assets - Deferred tax assets (net)

As at 31 March 2019			₹ Lakh
Particulars	As at 1 April 2018	Additions/ (adjustments) during the year	As at 31 March 2019
<u>Deferred tax asset</u>			
- Provisions & other disallowances for tax purposes	46.94	(5.96)	40.98
Total deferred tax asset (A)	46.94	(5.96)	40.98
<u>Deferred tax liability</u>			
- Difference in book depreciation and tax depreciation	(1.66)	0.68	(0.98)
Total deferred tax liability (B)	(1.66)	0.68	(0.98)
Net deferred tax asset/ (liability) (A-B)	48.60	(6.64)	41.96

As at 31 March 2018			₹ Lakh
Particulars	As at 1 April 2017	Additions/ (adjustments) during the year	As at 31 March 2018
<u>Deferred tax asset</u>			
- Provisions & other disallowances for tax purposes	3.80	43.14	46.94
Total deferred tax asset (A)	3.80	43.14	46.94
<u>Deferred tax liability</u>			
- Difference in book depreciation and tax depreciation	(1.22)	(0.44)	(1.66)
Total deferred tax liability (B)	(1.22)	(0.44)	(1.66)
Net deferred tax asset/ (liability) (A-B)	5.02	43.58	48.60

- The net changes in deferred tax has been debited to Profit & Loss account.
- Deferred tax assets and deferred tax liability has been offset as they relate to the same governing law.
- Disclosures as per Ind AS 12 'Income Taxes' are provided in Note 28.



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

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Deposits		
Deposit with Sales tax Authority	0.30	0.30
Advances		
Advance tax & tax deducted at source	20,331.23	20,250.78
Less: Provision for tax	<u>16,809.10</u>	<u>16,811.49</u>
	3,522.13	3,439.29
Total	<u><u>3,522.43</u></u>	<u><u>3,439.59</u></u>

6. Current financial assets - Trade receivables

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	1,06,334.23	79,614.54
Considered doubtful	<u>113.88</u>	<u>132.23</u>
	1,06,448.11	79,746.77
Less: Allowance for bad & doubtful receivables	<u>113.88</u>	<u>132.23</u>
Total	<u><u>1,06,334.23</u></u>	<u><u>79,614.54</u></u>

(i) Unbilled revenues of ₹47,435.34 Lakh (31 March 2018: ₹59,632.31 Lakh) are separately stated in Note 9.

(ii) The margin and other tariff have been billed to Discoms including Rajasthan as per the guidelines of MNRE for JNNSM-I uniformly by Company. However, three Rajasthan Discoms viz AVVNL, JVVNL and JdVVNL have not paid following amounts from the bills issued by Company:

(a) There is an outstanding dues of ₹8,524.47 lakh (31 March 2018: ₹7,331.40 lakh) towards payment of trading margin @1.5 paise/unit instead of @7 paise/unit.

(b) There are outstanding dues of ₹3,134.00 lakh (31 March 2018: ₹3,134.00 lakh) towards unbundled solar power supplied after commissioning of solar projects; ₹6,103.00 lakh (31 March 2018: ₹6,103 lakh) towards delay in inter-state scheduling (LTA) of power generated in Rajasthan by Solar Power Developers (SPDs) and ₹7,099.11 lakh (31 March 2018: ₹7,099.11 lakh) towards deduction of compensation amount due to low CUF of solar projects in Rajasthan.

The above cases are pending before Central Electricity Regulatory Commission (CERC).

Management is of the opinion that there is a high probability of settlement of these disputes by the CERC in favour of the company. Further, legal opinion as to the probable outcome of Company's position in CERC has also been sought from an independent senior advocate and it is his considered opinion that probability of favourable outcome for Company is very high. Hence, Company has not considered making provision for these outstanding dues in Books of Accounts.



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7. Current financial assets - Cash and cash equivalents

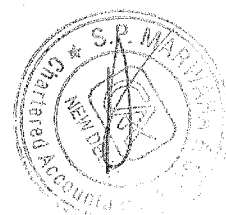
Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Balances with banks		
Current accounts	180.60	17,599.01
Total	180.60	17,599.01

8. Current financial assets - Bank balances other than cash and cash equivalents

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	14,320.28	5,583.02
Earmarked balances with banks #	12,245.53	2,101.07
Total	26,565.81	7,684.09
# Earmarked balances with banks towards:		
Deposit with Sales Tax Authorities	0.35	0.31
Enforcement Directorate of Solar Plant*	155.28	-
Bank guarantee Fund of MNRE	22.10	500.00
Deposit as per the directive from the Hon'ble High Court of Delhi (Refer Note No 14 & 16)	1,696.36	1,600.76
Payment Security Scheme of MNRE**	10,371.44	-
	12,245.53	2,101.07

* payable to Firestone Trading Private Limited, which has been attached by Enforcement Directorate as per communication received on 24/02/2018.

** Funds received from MNRE under payment security scheme (31 March 2018: ₹26,056.76 Lakh). For corresponding liability refer Note 14.



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9. Current Assets - Other financial assets

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Advances		
Others		
Unsecured	11.89	39.84
Deposits *		
Others		
Unsecured	376.87	61.87
	388.76	101.71
Unbilled revenue #	47,435.34	59,632.31
Total	47,824.10	59,734.02

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

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

10. Current Assets - Other current assets

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Advances		
Others		
Unsecured	426.36	423.75
	426.36	423.75
Others *	15.45	12.54
Total	441.81	436.29

* Others include Input GST credit and prepaid membership fees.



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11. Share capital

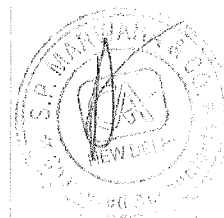
Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Equity share capital		
Authorised		
22,00,00,000 shares of par value of ₹10/- each		
(Previous year 2,00,00,000 shares of par value of ₹10/- each)	22,000.00	2,000.00
Issued, subscribed and fully paid up		
2,00,00,000 shares of par value of ₹10/- each		
(Previous year 2,00,00,000 shares of par value of ₹10/- each)	2,000.00	2,000.00

- 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:

	₹ Lakh	
	31 March 2019	31 March 2018
Paid for the year ended		
Dividend paid and recognised during the year		
Final dividend for the year ended 31 March 2018 of ₹ nil (31 March 2017 : ₹ 10) per fully paid share	Nil	3,000
Interim dividend for the year ended 31 March 2019 of ₹ 10 (31 March 2018 : ₹ 10*) per fully paid share	2,000	2,000
* Interim dividend for year ended 31st March 2018 was paid during year ended 31st March 2019		

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

Particulars	31 March 2019		31 March 2018	
	No. of shares	%age holdings	No. of shares	%age holdings
NTPC Limited and its nominees	2,00,00,000	100	2,00,00,000	100



NTPC VIDYUT VYAPAR NIGAM LTD.

12. Other equity

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Corporate social responsibility (CSR) reserve		
As per last financial statements	17.64	11.14
Add : Transfer from surplus	204.31	17.64
Less: Transfer to surplus	17.64	11.14
	<u>204.31</u>	<u>17.64</u>
General reserve		
As per last financial statements	29,099.38	28,979.38
Add : Transfer from surplus	3,950.00	120.00
Less : Adjustments during the year	-	-
	<u>33,049.38</u>	<u>29,099.38</u>
Retained earnings		
As per last financial statements	13.27	31.24
Add: Profit for the year as per Statement of Profit and Loss	6,556.22	6,126.41
Transfer from CSR reserve	17.64	11.14
Less: Transfer to bonds/debentures redemption reserve	204.31	17.64
Transfer to general reserve	3,950.00	120.00
Final dividend	-	3,000.00
Tax on Final dividend	-	610.73
Interim dividend	2,000.00	2,000.00
Tax on interim dividend	411.11	407.15
	<u>21.71</u>	<u>13.27</u>
Total	<u><u>33,275.40</u></u>	<u><u>29,130.29</u></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 ₹ 8.93 Lakh during the year and unspent balance amounting to ₹ 204.31 Lakh has been appropriated to CSR reserve from surplus (refer note no. 37).

13. Current financial liabilities - Trade payables

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Micro & Small Enterprises	2.05	23.77
Creditors other than Micro & Small Enterprises*	88,318.59	1,06,436.73
	<u>88,320.64</u>	<u>1,06,460.50</u>

* Including amount payable to Firestone Trading Private Limited ₹ 222.06 Lakhs, which has been attached by Enforcement Directorate as per communication received on 24 Feb 2018

(a) Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 36.

(b) Amount payable to related party is disclosed in Note 30



NTPC VIDYUT VYAPAR NIGAM LTD.

14. Current liabilities - Other financial liabilities

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Payable for capital expenditure	3.58	27.13
Other payables		
Deposits from contractors and others	55.76	56.61
Payable to holding company	763.68	263.05
Payable to employees	325.24	273.50
Retention on A/c BG encashment (Solar)	28,673.51	23,354.74
Payable to Solar Payment Security Account	27,667.03	-
Retention on A/c BG encashment	242.85	1,045.66
Interim Dividend	-	2,000.00
Tax on Interim Dividend	-	407.15
Total	57,731.65	27,427.84

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

For the year ended 31 March 2019

Particulars	₹ Lakh		
	As at 31 March 2018	For the year 2018-19	As at 31 March 2019
Amount received as liquidated damages on late commissioning of solar power plants	24,991.14	4,700.00	29,691.14
Add: Interest accrued on above	1,818.91	101.08	1,919.99
Less: Legal expenses	1,374.62	184.07	1,558.69
Less: Liability on a/c of arbitration cases where award has been pronounced	2,080.69	(701.76)	1,378.93
Net Balance- Retention on A/c BG encashment (Solar)	23,354.74	5,318.77	28,673.51

For the year ended 31 March 2018

Particulars	₹ Lakh		
	As at 31 March 2017	For the year 2017-18	As at 31 March 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
Net Balance- Retention on A/c BG encashment (Solar)	23,362.24	(7.50)	23,354.74

-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 Jun 2012 and clarifications thereafter.

-The Company utilised ₹ 28,651.41 Lakh from "Retention on A/c BG encashment (Solar)" for non payment of dues by its customers under JNNSM scheme .

b) Payable to Solar Payment Security Account comprises of:

For the year ended 31 March 2019

Particulars	₹ Lakh		
	As at 31 March 2018	For the year 2018-19	As at 31 March 2019
Funds received from MNRE	24,303.00	-	24,303.00
Add: Interest accrued on above	1,764.54	1,850.15	3,614.69
Add: Surcharge transfer to SPSA	470.39	61.56	531.95
Less: Management fees withdrawn	481.16	301.43	782.59
Less: Bank Charges	0.01	0.01	0.02
Net Balance-Payable to Solar Payment Security Account	26,056.76	1,610.27	27,667.03



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15. Current liabilities - Other current liabilities

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Advances from customers and others	349.21	491.41
Other payables Tax deducted at source and other statutory dues	402.52	443.19
Total	751.73	934.60

16. Current liabilities - Provisions

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Arbitration Cases	2,585.54	2,636.49
Total	2,585.54	2,636.49

Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets are made in Note 33.

17. Current liabilities - Current tax liabilities (net)

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Provision for Current Tax (Net of Advance tax)	275.02	-
Total	275.02	-



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18. Revenue from operations

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations		
Sale of energy	4,49,810.32	5,05,143.19
Less: Rebate to beneficiaries	<u>3,061.83</u>	<u>4,078.37</u>
		5,01,064.82
Energy sales of agency nature	1,177.50	
Less: Rebate to beneficiaries	<u>268.28</u>	-
Commission	466.70	461.91
Total	<u>4,48,124.41</u>	<u>5,01,526.73</u>

- The Company adopted Ind AS 115 using the cumulative effect method w.e.f. 1 April 2018 and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18. Disclosures required by Ind As 115 "Revenue from contracts with customers" are made in Note 35.
- Net Revenue from operations includes export sales amounting to ₹1,51,147.62 lakh (31 March 2018: ₹ 1,29,175.89 lakh) to neighbouring countries of Nepal & Bangladesh.
- 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 ₹ 300.46 Lakh (31 March 2018: ₹ 316.36 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.
- In Case of short term trading of power, CERC has fixed a ceiling on trading margin at 7 paisa per kWh in case the sale price is exceeding ₹ 3 per kWh and 4 paisa per kWh where sale price is less than or equal to ₹ 3 per kWh. However, Transactions through power swapping/banking are out of perview of the CERC Regulations for Short Term Trading.

19. Other income

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest from		
Deposits with banks	436.24	541.91
Interest from Solar payment security account	1,850.15	
Less : Transferred to SPSA fund (Note 14)	<u>1,850.15</u>	-
Interest on "Retention on A/c BG encashment (Solar)"	101.08	
Less : Transferred to "Retention on A/c BG encashment (Solar)" (Note 14)	<u>101.08</u>	-
Other non-operating income		
Surcharge received from customers	1,284.02	241.16
Management Fee	443.79	414.83
Miscellaneous income #	25.71	968.40
Profit on disposal of Property, Plant & Equipment	0.28	0.04
Total	<u>2,190.04</u>	<u>2,166.34</u>

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



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20. Purchase of Energy

	₹ Lakh	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of energy	4,44,560.92	4,97,959.02
Less: Rebate from Supplier	7,589.45	7,712.57
Total	4,36,971.47	4,90,246.45

- a) Purchase of energy in million units (MUs) are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).
- b) Bilateral energy purchase includes compensation payment of ₹ 305.68 Lakh (31 March 2018: ₹ 314.52 Lakh) due to lesser supply/drawl of power by the Company.
- c) Purchase of Solar and thermal bundled energy in million units are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

21. Employee benefits expense

	₹ Lakh	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	1,367.24	1,425.48
Contribution to provident and other funds	318.30	253.57
Staff welfare expenses	81.87	77.69
Total	1,767.41	1,756.74

- 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 ₹ 234.11 Lakh (31 March 2018: ₹188.92 Lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 84.19 Lakh (31 March 2018: ₹ 64.65 Lakh) towards leave & other benefits are paid/ payable to the holding Company and are included under Employee benefits.



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22. Finance costs

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest paid		
Income Tax	3.88	30.83
SPSA account #	61.56	-
Others	4.52	4.55
Total	69.96	35.38

Surcharge received from Discoms against bundled power, proportionately transferred to SPSA Fund

23. Depreciation, amortization and impairment expense

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
On property, plant and equipment - Note 2	9.55	3.15
On intangible assets - Note 2	-	1.32
	9.55	4.47

24. Other expenses

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Power charges	15.39	25.70
Rent	417.45	521.78
Repairs & maintenance		
Buildings	27.74	13.29
Others	1.11	8.72
	28.85	22.01
Insurance	-	0.01
Rates and taxes	40.00	40.00
ROC Fees	175.00	-
Training & recruitment expenses	1.71	0.08
Communication expenses	41.45	29.17
Travelling expenses	78.73	69.01
Tender expenses	29.58	82.30
Less: Receipt from sale of tenders	2.56	27.85
	27.02	54.45
Payment to Statutory Auditors - Audit Fees	3.07	2.59
Other Services	0.08	0.40
Publicity Expenses	13.09	11.79
Customer meet expenses	55.77	-
Entertainment expenses	15.53	12.35
Corporate Social Responsibility (CSR) Expenses	8.93	170.20
Books and periodicals	0.16	0.21
Professional charges and consultancy fee	98.42	75.09
Legal expenses	1.44	6.61
EDP hire and other charges	21.74	3.19



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24. Other expenses

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Printing and stationery	1.90	0.35
Hiring of vehicles	1.07	1.09
Bank charges/LC Charges	194.13	78.34
Loss on sale of Assets held for disposals	0.56	0.33
Bad debt Written off	-	879.74
Miscellaneous expenses	67.21	39.89
	<u>1,308.70</u>	<u>2,044.38</u>
Provision for advance	-	(5.34)
Provision for doubtful debts	-	130.00
Total	<u><u>1,308.70</u></u>	<u><u>2,169.04</u></u>



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25. Disclosure as per Ind AS 1 'Presentation of financial statements'

A) Changes in significant accounting policies:

During the year, following changes to the accounting policies have been made:

- a) Policy B.1 'Statement of compliance' has been modified by removing the policy pertaining to first time adoption of Ind AS as the same is not applicable in the current year.
- b) In addition to above, certain other changes have also been made in the policies nos. A, C, C.1, C.3, C.5, C.6, C.7, C.10, C.11, C.12, C.16 and policy D for improved disclosures.
- c) New policies are added at C.2 & C.13 for improved disclosures.

There is no impact on the financial statements due to the above changes, however, the policy numbers have been rearranged in the current year as required.

B) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to:

- enhance comparability with the current year's financial statements.
- ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013"

As a result, certain line items have been reclassified in the balance sheet, statement of profit and loss, and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification as at 31 March 2018

Sl. No.	Particulars	Before reclassification	reclassification	After reclassification
1	Deposits (Note 5)	3,439.79	(0.20)	3,439.59
	Cash and cash equivalents (Note 7)	18,099.01	(500.00)	17,599.01
	Other bank balances (Note-8)	7,183.89	500.20	7,684.09
2	Other Current assets (Note 10)	423.75	12.54	436.29
	Other Current liabilities (Note 15)	922.06	12.54	934.60

There is no change in the statement of cash flows due to reclassification

26. Standards / amendments issued but not yet effective:

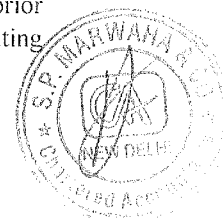
On 30 March 2019, Ministry of Corporate Affairs (MCA) has notified the following standards / amendments

1. Ind AS 116 'Leases'

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

The standard permits two possible methods of transition:

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



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

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

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

Certain practical expedients are available under both the methods.

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

2. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

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

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application

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

3. Amendment to Ind AS 12 'Income taxes'

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



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27. 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. 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/advances, balance confirmation letters were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.
- b) In the opinion of the management, the value of assets, other than property, land and equipment 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.

28. Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in the statement of profit and loss

₹ Lakh

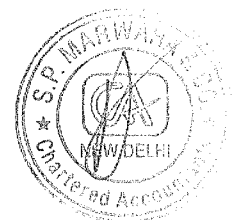
Particulars	For the year ended	
	31 March 2019	31 March 2018
Current tax expense		
Current year	3,626.39	3,398.00
Adjustment for earlier years	(1.89)	0.16
Total current tax expense (A)	3,624.50	3,398.16
Deferred tax expense		
Origination and reversal of temporary differences	6.64	(43.58)
Total deferred tax expense (B)	6.64	(43.58)
Total income tax expense (C=A+B)	3,631.14	3,354.58

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

Particulars	For the year ended	
	31 March 2019	31 March 2018
Profit before tax	10,187.36	9,480.99
Tax using the Company's domestic tax rate of 34.944% (31 March 2018 - 34.608%)	3,559.87	3,281.18
Tax effect of:		
Non-deductible tax expenses	66.52	116.66
Deferred tax expense		
Origination and reversal of temporary differences	6.64	(43.58)
Previous year tax liability	(1.89)	0.32
Total tax expense recognized in the statement of profit and loss	3,631.14	3,354.58

29. Disclosure as per Ind AS 17 'Leases'

The Company's significant leasing arrangement are in respect of operating leases of premises for residential use of the employees amounting to ₹ 7.28 Lakh (31 March 2018: ₹ 13.32 Lakh) and are included in Note 21-"Employees benefits expense". Similarly, lease payments in respect of premises for office amounting to ₹ 417.45 lakh (31 March 2018: ₹ 521.78 Lakh) are shown in 'Rent' in Note 24 -"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 and conditions but are not non-cancellable.



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30. Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

- i) Holding Company - NTPC Ltd.
- ii) Joint Venture company of NTPC Ltd.:
 - NTPC-Vellur
 - Aravali Power Company Pvt. Ltd.
 - Utility Powertech Ltd.
- iii) Key Management Personnel (KMP)
 - Shri A.K Jha - Director upto 31/07/2017
 - Shri K.K. Sharma - Director upto 31/10/2017
 - Shri Gurdeep singh - Chairman upto 31/10/2017
 - Shri Kulamani Biswal - Chairman upto 30/12/2017
 - Shri Saptarshi Roy - Chairman upto 30/12/2017
 - Shri A.K. Gupta - Chairman upto 29/06/2018
 - Shri P.K. Mohapatra - Chairman w.e.f. 29/06/2018
 - Shri Pramod Kumar - Director upto 30/11/2018
 - Shri C.V. Anand - Director w.e.f. 15/03/2018
 - Ms. A. Satyabhama - Director upto 31/07/2018
 - Shri A.K. Gautam - Director w.e.f. 03/12/2018
 - Ms. Nandini Sarkar - Director w.e.f. 03/08/2018
 - Shri A. K. Garg - CEO upto 14/06/2018
 - Shri A.K. Juneja - CEO upto 13/08/2018
 - Shri Rajnish Bhagat - CEO w.e.f. 14/08/2018
 - Ms. Alka Sehgal - CFO upto 19/07/2017
 - Mr. Kumar sanjay - CFO w.e.f. 19/07/2017
 - Shri Nitin Mehra - Company Secretary

iv) Entities under the control of the same government:

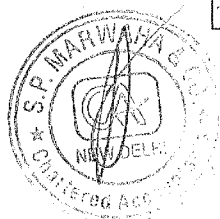
The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) i.e NTPC Limited, controlled by Central Government (refer Note 11). Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has availed the exemption available for government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Power System Operations Corporation Limited (POSOCO), Solar Energy Corporation of India Limited, DMICDC Neemrana Solar Power Company Ltd, GAIL (India) Limited, Indian Oil Corporation Limited and Damodar Valley Corporation.

b) Transactions with the related parties are as follows:

1 Particulars	₹ Lakh	
	Holding Company and Joint Venture Companies of Holding Company	
	For the year ended	
	31 March 2019	31 March 2018
- Contracts for services received from JV of holding company	102.69	66.06
- Rent & other charges to holding company	456.95	-
- Purchase of goods from holding company	1,79,526.56	1,89,249.36
- Purchase of goods from JV of holding company	-	4,705.55
- Dividend paid to holding company *	2,000.00	5,000.00

* Interim Dividend of ₹ 2,000 lakh for F.Y 2017-18 was paid in F.Y 2018-19

2 Nature of Transaction	₹ Lakh	
	Compensation to Key management personnel	
	For the year ended	
	31 March 2019	31 March 2018
- Short term employee benefits	64.51	88.33
- Post employment benefits	1.94	2.44
- Other long term benefits	14.39	17.80
Total Compensation to Key management personnel	80.84	108.57



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

₹ Lakh

Particulars	As at	As at
	31 March 2019	31 March 2018
Utility Powertech Ltd.	13.28	19.44
NTPC Ltd.**	22,594.65	22,940.46
Aravali Power Company Pvt. Ltd.	-	821.78

** Excluding liability on account of IEX payable to NTPC ₹ 708.91 lakh (31 March 2018: ₹ 2,676.93 lakh) and expenses incurred by NTPC on behalf of Company and debited to Company on sharing basis.

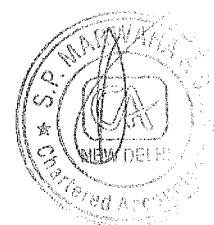
d) **Transactions with the related parties under the control of the same government:**

₹ Lakh

Sl. No	Name of the Company	Nature of transaction by the Company	For the year ended 31 March 2019	For the year ended 31 March 2018
1	Power System Operation Corporation Limited	Open Access booking	29,709.83	24,321.50
2	Solar Energy Corporation of India Ltd	Sale of solar Energy	1,302.83	1,372.28
3	DMICDC Neemrana Solar Power Company Ltd	Sale of solar Energy	618.06	644.79
4	GAIL (India) Limited	Sale of solar Energy	712.47	766.87
5	Indian Oil Corporation Limited	Sale of solar Energy	851.14	860.92
6	Damodar Valley Corporation	Sale of bilateral Energy	91,706.00	24,402.52
			1,24,900.34	52,368.88

Terms and conditions of transactions with the related parties:

- 1 Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- 2 All Shared services of HR, Finance and Legal are provided by NTPC to Company at free of cost.
- 3 The Company is assigning job contracts to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Ltd. and Reliance Infrastructure Ltd. These contracts are assigned to UPL based on the Power Station office Maintenance Agreement signed between NTPC Limited (Holding Company) and UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.
- 4 NTPC Limited is seconding its personnel to the company as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institutions. The cost incurred by NTPC Limited towards superannuation and employee benefits are recovered from the company.



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31. Disclosure as per Ind AS 33 'Earnings per share'

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

Particulars	For the year ended	
	31 March 2019	31 March 2018
Net profit/(loss) after Tax used as numerator(₹ Lakh)	6,556.22	6,126.41
Weighted average number of equity shares used as denominator	2,00,00,000.00	2,00,00,000.00
Earning per share (Basic & Diluted)-(₹)	32.78	30.63
Face Value per share-(₹)	10.00	10.00

32. 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'.

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

Movements in provisions:

Particulars	₹ Lakh							
	Provision for arbitration cases		Provision for doubtful debts		Provision for doubtful advances		Provision for unserviceable CWIP	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Carrying amount at the beginning of the year	2,636.49	1,832.24	132.23	2.23	-	5.34	3.41	3.41
Additions during the year	1,406.53	804.25	-	130.00	-	-	-	-
Amounts used during the year	198.73	-	-	-	-	-	-	-
Reversal / adjustments during the year	1,258.75	-	18.35	-	-	5.34	-	-
Carrying amount at the end of the year	2,585.54	2,636.49	113.88	132.23	-	-	3.41	3.41

Contingent liabilities and contingent assets

- Various solar power developers challenged the encashment/ forfeiture of EMD/Bid bond under provisions of PPA before arbitrator/High Courts. The contingent liability of ₹ 5,220.58 Lakh and interest claim of ₹ 3,765.35 Lakh thereon (31 March 2018: contingent liability ₹ 4,699.09 Lakh and interest claim of ₹ 2,662.32 Lakh) has been estimated. Any possible liability crystallised on the above will be recovered from "Retention on A/c BG encashment (Solar)"(Note 14).
- 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 at ₹ 135.57 Lakh (31 March 2018: ₹ 117.57 Lakh) although company has already transferred the business of Fly Ash to NTPC Ltd from 1 Jan 2015 onwards.
- 232.9623 Million units (31 March 2018: 437.2195 Million units) supplied by the sellers under SWAP arrangements are yet to be returned - Amount unascertainable.
- Contingent Liability on Account of Income Tax Cases amounting to ₹ 2,411.45 lakh (Excluding demand deposit of ₹ 602.86 lakh) {(31 March 2018: ₹ 2,202.06 lakh (Excluding demand deposit of Rs. 550.51 Lakh)}.
- Pending uncertainty of collection, late payment surcharge amounting to ₹ 28,042.73 lakh has not been recognised including ₹13,984.89 lakh pending before Central Electricity Regulatory Commission (CERC).

34. Disclosure as per Ind AS 108 'Operating Segments'

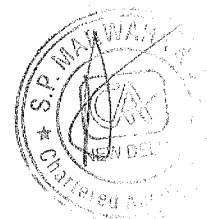
In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

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

Revenue of approximately ₹ 2,41,683.66 Lakh (31 March 2018: ₹ 2,02,848.91 Lakh) are derived from external customers each contributing more than 10 per cent of total revenue of the Company.

Geographical area wise information on revenue is given below

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
India (a)	2,96,976.79	3,72,350.84
Other Countries		
Nepal	45,844.83	29,592.20
Bangladesh	1,05,302.79	99,583.69
Total Other Countries (b)	1,51,147.62	1,29,175.89
Total (a+b)	4,48,124.41	5,01,526.73



35. Revenue from contracts with customers

I. Nature of goods and services

The revenue of the Company comprises of income from energy sales, energy sales of agency nature and commission for trading on energy exchange. The Government of India has designated the Company as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM), which envisages setting up of 1000 MW solar capacity with a mandate for purchase of power from the solar power developers at tariff derived through reverse bidding on benchmark tariff fixed by CERC and for sale of such power, bundled with the power sourced from NTPC coal power stations in the ratio of 1:1, to State/Distribution Utilities. In case of National Solar Mission, trading margin on sale of energy is as per the directive/guideline of Government of India.

The Company has also been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. Further, the Company carries out energy trading operations on energy exchanges.

The following is a description of the principal activities:

a) Sale of energy

The Company is primarily engaged in the business of power trading where the Company purchases power from solar power developers, thermal power generators and other power generators and sells it to power distribution companies and other customers.

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of energy is determined as per the terms of the respective agreement. The amounts are billed on contractually agreed frequency which is generally monthly or at the end of supply in case supply is for a part of the month and are given credit period on sale of power up to 60 days.

b) Energy sales of agency nature

For some of its revenue arrangements, the Company has determined that it is acting as an agent and has recognized revenue on such contracts net of power purchase cost based on the following factors:

- Another party is primarily responsible for fulfilling the contract as the Company does not have the ability to direct the use of energy supplied or obtain benefits from supply of power.
- The Company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.
- The Company has no discretion in establishing the price for supply of power. The Company's consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

In the arrangements, the Company is acting as an agent, the revenue is recognised over time on net basis when the units of electricity are delivered to power procurers as the procurers simultaneously receive and consume the benefits from the Company's such agency services. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

c) Commission for trading on energy exchange

The Company carries out energy trading operations on commission basis. The Company is a "Trader Member" of India Energy Exchange Ltd. (IEX) & Power Exchange India Ltd (PXIL) and undertakes trading of Power and REC on Power Exchange Platform of IEX and PXIL.

The Company recognises revenue from contracts for commission for trading on energy exchange over time as the customers simultaneously receive and consume the benefits provided by the Company's performance as it performs. The commission for trading of energy is determined as per the terms of the respective agreement. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

II. Disaggregation of revenue

In the following table, revenue is disaggregated by nature of service, primary geographical market and timing of revenue recognition:

Particulars	₹ Lakh	
	For the year ended 31 March 2019	For the year ended 31 March 2018*
Nature of revenue		
Sale of energy	4,46,748.49	5,01,064.82
Energy sales of agency nature	909.22	-
Commission for trading on energy exchange	466.70	461.91
Total	4,48,124.41	5,01,526.73



NTPC VIDYUT VYAPAR NIGAM LTD.

Primary geographical markets		
India	2,96,976.79	3,72,350.84
Bangladesh	1,05,302.79	99,583.69
Nepal	45,844.83	29,592.20
Total	4,48,124.41	5,01,526.73
Timing of revenue recognition		
Over time	4,48,124.41	5,01,526.73
At a point in time	-	-
Total	4,48,124.41	5,01,526.73

* The Company has initially applied Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

III. Reconciliation of revenue recognised with contract price

Particulars	₹ Lakh	
	For the year ended 31 March 2019	
Contract Price	4,51,454.52	
Adjustments For :		
Rebates	3,330.11	
Revenue from operations	4,48,124.41	

IV. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	₹ Lakh	
	As at 31 March 2019	As at 1 April 2018**
Trade receivables	1,03,592.77	76,834.94
Unbilled revenue	47,435.34	59,632.31
Advances from customers	349.21	491.41

** The Company recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance as at 1 April 2018.

The Company recognised revenue of ₹ 491.41 Lakhs arising from opening advances from customers as at 1 April 2018.

The amount of revenue recognised in 2018-19 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to change in transaction prices is (-) ₹ 386.86 Lakhs.

During the year ended 31 March 2019, Rs. 59,632.31 Lakh of unbilled revenue as at 1 April 2018 has been reclassified to trade receivables upon billing to customers as per payment terms defined in respective agreements. There is no other significant change in the contract balance during the year ended 31 March 2019.

V. Transaction price allocated to the remaining performance obligations

Revenue is recognized once the electricity has been delivered to the beneficiary and is measured on the basis of energy accounts. Power procurers are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract.

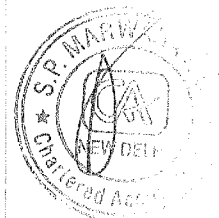
VI. Practical expedients used

a. The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less.

b. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company has not adjusted any of the transaction prices for the time value of money.

VII. Incremental costs of obtaining contracts

The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised costs.



VIII. Significant judgments

Significant judgment in determining the timing of satisfaction of performance obligation

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and transfer of significant risks and rewards to the customer etc.

Critical judgment in determining the transaction price

Judgement is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised for energy sales is adjusted for expected rebates for early payments and/or late payment surcharges, which are estimated based on the historical data available with the Company.

IX. Summary of main impact due to adoption of Ind AS 115

The Company adopted Ind AS 115 using the cumulative effect method and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18. There was no impact on adoption of Ind AS 115 on the transition date, i.e. 1 April 2018. Due to the adoption of Ind AS 115, the Company evaluated whether it controls the good or service before it is transferred to the customer. The Company is principal if it controls the good or service before it is transferred to the customer. In other arrangements, the Company is acting as an agent and shall recognise revenue net of power purchase cost. Accordingly, adoption of Ind AS 115 resulted in decline in both revenue from operations and cost of sales by ₹ 1,04,638.75 Lakh for the year ending 31 March 2019.



NTPC VIDYUT VYAPAR NIGAM LTD.

36. Information in respect of micro and small enterprises as at 31 March 2019 as required by Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars		₹ Lakh	
		As at 31 March 2019	As at 31 March 2018
a)	Amount remaining unpaid to any supplier:		
	Principal amount	2.05	23.77
	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	-	-

37. Corporate Social Responsibility (CSR) Expenses

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	
	As at 31 March 2019	As at 31 March 2018
A. Amount required to be spent during the year	195.60	176.70
B. Shortfall amount of previous year	17.64	11.14
C. Total (A+B)	213.24	187.84
D. Amount spent during the year on-(in collaboration with NTPC)		
- Construction/ acquisition of any asset	8.93	1.60
- On purposes other than (i) above	-	168.60
Total	8.93	170.20
Shortfall amount appropriated to CSR reserve	204.31	17.64

1) Amount spent during the year ended 31 March 2019

Particulars	₹ Lakh		
	In Cash	Yet to be paid in cash	Total
- Construction/ acquisition of any asset	8.93	-	8.93
- On purposes other than (i) above	-	-	-

2) Amount spent during the year ended 31 March 2018

Particulars	₹ Lakh		
	In Cash	Yet to be paid in cash	Total
- Construction/ acquisition of any asset	1.60	-	1.60
- On purposes other than (i) above	168.60	-	168.60

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

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
1. Swachh Vidyalaya Abhiyan	-	1.60
2. Environment	8.93	-
3. Others (Support for flood affected people in Bihar)	-	168.60
Total	8.93	170.20



NTPC VIDYUT VYAPAR NIGAM LTD.

38. Financial Risk Management

The Company's principal financial liabilities comprise trade payables and other payables. The Company's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

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.

Trade receivables

Trade receivables of the company can be divided into two parts- solar debtors & non-solar debtors. The company primarily sells electricity to bulk customers comprising mainly state power utilities owned by State Governments in India, Bangladesh & Nepal. A default occurs when, in the view of management, there is no significant possibility of recovery of receivables after considering all available options for recovery.

The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Company has its customers spread over various states of India and abroad, geographically there is no concentration of credit risk.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 180.60 lakh (31 March 2018: ₹ 17599.01 lakh). The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Company held deposits with banks of ₹ 26,565.81 Lakh (31 March 2018: ₹ 7684.09 Lakh). In order to manage the risk, company accepts only high rated banks.

(i) Exposure to credit risk

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

Particulars	₹ Lakh	
	As at 31 March 2019	As at 31 March 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	180.60	17,599.01
Bank balances other than cash and cash equivalents	26,565.81	7,684.09
Other current financial assets	47,824.10	59,734.02
Total	74,570.51	85,017.12
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL)		
Trade receivables	1,06,334.23	79,614.54
Total	1,06,334.23	79,614.54

(ii) Provision for expected credit losses

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

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognized.

(b) Financial assets for which loss allowance is measured using life-time expected credit losses

The Company has customers (State government power utilities & utilities of government of Nepal & Bangladesh) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and analysis. Hence, no impairment loss has been recognized during the reporting periods in respect of trade receivables.

(ii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

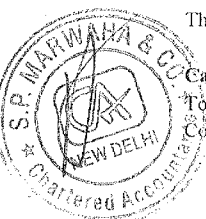
Ageing	₹ Lakh						Total
	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	
Gross carrying amount as at 31 March 2019	12,416.18	32,745.44	89.21	11,009.65	5,287.34	44,786.41	1,06,334.23
Gross carrying amount as at 31 March 2018	46.05	36,762.27	12,969.02	134.50	982.89	28,719.81	79,614.54

Currency Risk

The company has no exposure to foreign currency risk as the same is covered on back to back basis.

Capital Management

Total issued and paid up Share capital of the company as on 31 March 2019 is Rs. 2,000 Lakh. Company doesn't have any debt as on 31 March 2019. Company manages its capital structure through dividend payment and issue of fresh share capital.



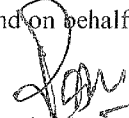
39 Fair Value Measurements

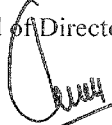
The Financial Assets & Liabilities viz, Trade receivables, Cash & Bank Balances, Trade payables and other Financial Liabilities are measured at amortised cost. The carrying amount of Trade receivables, Cash & Bank Balances, Trade payables and other Financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.


For and on behalf of the Board of Directors


(Nitin Mehra)
Company Secretary


(Kumar Sanjay)
CFO


(Rajnish Bhagat)
CEO



(A. K. Gautam)
Director
(DIN 8293632)


(P.K. Mohapatra)
Chairman
(DIN 07800722)

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

For S P Marwaha & Co
Chartered Accountants

FRN 000229N


Ashutosh Saxena
Partner
M.No.086358



Place: New Delhi

Dated: 10/05/2019

**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 2019**

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

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



(Rajdeep Singh)

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

Place: New Delhi

Date: 8/07/2019



Independent Auditor's Report

To the Members of NTPC Vidyut Vyapar Nigam Limited

Report On the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of NTPC Vidyut Vyapar Nigam Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including other comprehensive income), the Statement of changes in equity and the cash flow statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.NO.	Key Audit Matter	Auditor's Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated</p>	<p><u>Principal Audit Procedures</u></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>An independent consultant was assigned the task and terms of reference included to Identify the Contract(s) with a customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to performance obligations identified in the Contract and Recognise revenue when (or as) the entity satisfies a performance obligation.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follow:</p> <ul style="list-style-type: none">• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.• Selected a sample of continuing and new

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H.O : 22/44, West Patel Nagar, New Delhi-110008



	<p>revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 1-C(6) and 35 to the Financial Statements</p>	<p>contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <ul style="list-style-type: none"> • Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	<p>Recoverability of amount included in trade receivables under litigation from three Rajasthan Discoms viz AVVNL, JVVNL and Jd VVNL</p> <p>Refer Note- 6(ii)(a) & (b)</p>	<p><u>Principal Audit Procedures</u></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the nature of disputes, the sustainability and likelihood of recoverability upon final resolution.</p> <p>We also considered the opinion of independent Senior Advocate and also that of legal Council of NTPC-NVVN Ltd.</p>
3	<p>Reflection of unutilized amount in Solar Payment Security Account (SPSA) under Payment Security Scheme (PSS) fund created by MNRE, GOI as budgetary Support to ensure timely payment to SPDs in case of default by State utilities/Discoms.</p> <p>Refer Note- 8 & 14(b)</p>	<p><u>Principal Audit Procedures</u></p> <p>We obtained information regarding nature of this account and complete scheme of the Ministry.</p> <p>We reviewed the design, effective control and monitoring of movement of funds and internal control aspects.</p>



Management's Responsibility for the Ind AS Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder and the order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the standards on Auditing, issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

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

Emphasis of Matter

We draw attention to Note No. 6(ii) to the financial statements regarding deductions made/amounts withheld by some customers aggregating to Rs. 24860.58 Lakh (Previous year Rs. 23667.51 Lakh) on various accounts which are being carried as Trade Receivables. The matters are under litigation and ultimate outcome of the above matters cannot presently be determined although the company is of the view that such amounts are recoverable and hence no provision is required thereagainst. Our opinion is not qualified in respect of this matter.

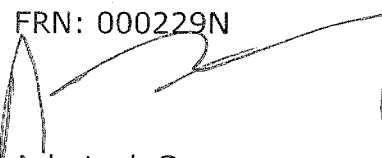
Report on Other Legal and Regulatory Requirements

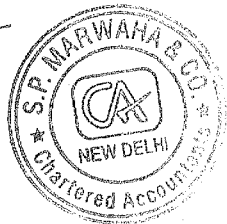
1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, 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 Statements of Profit and loss including other comprehensive income, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;



- e) Being a Government company, pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of subsection (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" to this report;
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer note 6(ii) & 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For S.P. Marwaha & Co.
Chartered Accountants
FRN: 000229N


Ashutosh Saxena
Partner
M. No.- 086358



Place: New Delhi

Date: 10/05/2019

Annexure A To The Independent Auditor's Report

The annexure as referred in Paragraph (1) under 'Report on Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of NTPC Vidyut Vyapar Nigam Limited on the financial statements for the year ended 31 March 2019, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The company is having a regular programme of physical verification of all fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c) There is no immovable property in the name of the company, therefore clause 3(i)(c) of "the order" is not applicable to the company.
- ii. There is no inventory in the company during the year under audit. Thus, paragraph 3(ii) of "the order" is not applicable to the company.
- iii. The company has not granted any loans secured or unsecured to any company, firm or other party listed in the register maintained under section 189 of the Companies Act, 2013.

Accordingly clause 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 provisions of sections 73 to 76 of Companies Act, 2013 is not applicable to the company. According provisions 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, employees estate 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



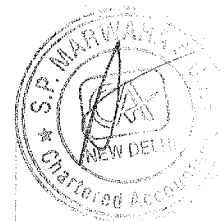
during the year. According to the information and explanation given to us, apart from outstanding interest on advance tax, there are no undisputed statutory dues in arrear as at 31 March 2019 for a period of more than six months from the date they become payable.

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 and 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 (₹)	Pending Amount (₹)	Forum where dispute is pending
Income Tax Act 1961	Income Tax	F/Y 2012-13	2,02,99,002/-	1,62,39,202/-	CIT (Appeals)
		F/Y 2014-15	25,49,58,674/-	20,39,66,934	CIT (Appeals)
		F/Y 2015-16	2,61,73,703/-	2,09,38,953/-	CIT (Appeals)

- viii. The company does not have any loans or borrowing from any financial institutions, banks, government or debenture holders during the year. Accordingly clause 3(viii) of "the order" is not applicable to the company.
- 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 clause 3(ix) of "the order" is not applicable to the company.
- 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 clause 3(x) of "the order" is not applicable to the company.
- 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 clause 3(xii) of "the order" is not applicable.



- xiii. The company has complied with the provisions of section 177 and 188 of the Act w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- 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 be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable to the company.

For S.P. Marwaha & Co.
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M. No.- 086358



Place: New Delhi

Date: 10/05/2019

Annexure B To The Independent Auditor's Report

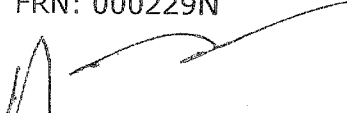
Annexure referred to in paragraph '2' under 'Report on other Legal and Regulatory Requirements' of our report of even date to the members of NTPC Vidyut Vyapar Nigam Limited on accounts for the year ended 31 March 2019.

S.NO.	Direction/ Sub-direction u/s 143(5) of the Companies Act, 2013	Auditor's reply on Actions Taken on the directions	Impact on Financial Statement
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations given to us, the company has a system in place to process all the accounting transactions through IT system. SAP-ERP has been implemented. Based on the Audit Procedure carried out and as per the information and explanations given to us, no accounting transactions have been processed/ carried outside the IT system. Accordingly there are no implications on the integrity of the accounts.	Not Applicable
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on the Audit Procedures carried out and as per the information and explanations given to us, there was no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.	Not Applicable
3	Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on the Audit Procedures carried out and as per the information and explanations given to us, the funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its term and conditions.	Not Applicable



		Solar Payment Security Account (SPSA) created by MNRE, Govt. of India vide OM No. 29/5/2010-11/JNNSM(ST) dated 30 June, 2011. This fund was incorporated in the Books of Accounts of the company with effect from 01 Jan, 2019 and full impact has been taken in the books for previous nine months period of the financial year.	
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For S.P. Marwaha & Co.
Chartered Accountants
FRN: 000229N


Ashutosh Saxena
Partner
M. No.- 086358



Date: 15/05/2019
Place: New Delhi

Annexure – C to the Independent Auditor's Report

Report on the Internal Financial Control under Clause (i) of the 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, 2019 in conjunction with our audit of the Ind AS financial statement 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

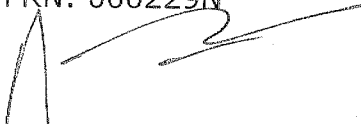
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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.



Opinion

In our opinion, to the best of our information and according to the explanation 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, 2019, 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.P. Marwaha & Co.
Chartered Accountants
FRN: 000229N


Ashutosh Saxena
Partner
M. No.- 086358



Place: New Delhi

Date: 15/05/2019

**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 2019**

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

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



(Rajdeep Singh)

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

Place: New Delhi

Date: 27/07/2019