

IPCL Power Trading Private Limited

Annual Accounts 2017-18

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IPCL POWER TRADING PRIVATE LIMITED REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **IPCL POWER TRADING PRIVATE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

AUDITOR'S RESPONSIBILITY

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 31 March 2018 its profit, total comprehensive income and its cash flows and the changes in equity for the year ended on that date.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, Statement Of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March 2018.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E



Aditya Singhi
(Aditya Singhi)
Partner

Membership No. 305161

Place: Kolkata
Date: 09 May, 2018

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of M/s IPCL Power Trading Private Limited for the year ended 31 March 2018, we report that:

- i. Matters specified in clauses(ii), (iii), (iv), (v), (vi), (viii), (ix), (xi), (xii), (xiv), (xv) and (xvi) of paragraph 3 of the CARO 2016 do not apply to the company.
- ii. **Clause (i) of Paragraph 3 of the Order**
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) The company is not holding any immovable property.
- iii. **Clause (vii) of Paragraph 3 of the Order**
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues (as applicable) with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Goods and Service Tax, Value Added Tax and Cess (as applicable) which have not been deposited on account of any dispute as on 31st March 2018.
- iv. **Clause (x) of Paragraph 3 of the Order**

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.
- v. **Clause (xiii) of Paragraph 3 of the Order**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E



AS
(Aditya Singhi)
Partner
Membership No. 305161

Place: Kolkata
Date: 09 May, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of M/s IPCL Power Trading Private Limited for the year ended 31st March 2018, we report that:

We have audited the internal financial controls over financial reporting of M/s IPCL Power Trading Private Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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



INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E




(Aditya Singhi)
Partner

Membership No. 305161

Place: Kolkata

Date: 09 May, 2018

IPCL Power Trading Private Limited
(CIN : U40109WB2011PTC157205)
Balance Sheet as at March 31, 2018
(All amounts in ₹, unless specified otherwise)

| Particulars | Note No. | Rs. | Rs. |
|--|----------|---------------------|---------------------|
| | | 31 March 2018 | 31 March 2017 |
| ASSETS | | | |
| Non-Current Assets | | | |
| a) Property, Plant and Equipment | 4 | 1,18,148 | 1,29,842 |
| b) Deferred Tax Assets (net) | 5 | 1,18,721 | - |
| | | 2,36,869 | 1,29,842 |
| Current Assets | | | |
| a) Financial Assets | | | |
| (i) Trade Receivables | 6 | 8,74,22,249 | 45,05,40,462 |
| (ii) Cash and Cash Equivalents | 7 | 2,18,27,373 | 35,13,635 |
| (iii) Loans | 8 | 5,25,40,361 | 11,20,41,967 |
| (iv) Other Financial Assets | 9 | 67,46,743 | 26,86,72,746 |
| b) Current Tax Assets (Net) | 10 | 7,42,697 | - |
| c) Other Current Assets | 11 | 35,04,083 | - |
| | | 17,27,83,506 | 83,47,68,810 |
| Total Assets | | 17,30,20,375 | 83,48,98,652 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity Share Capital | 12 | 5,21,00,000 | 5,21,00,000 |
| b) Other Equity | | 63,30,392 | 40,89,344 |
| | | 5,84,30,392 | 5,61,89,344 |
| Non-current liabilities | | | |
| a) Deferred Tax Liabilities (Net) | 13 | - | 14,480 |
| b) Provisions | 14 | 4,97,000 | 92,870 |
| | | 4,97,000 | 1,07,350 |
| Current liabilities | | | |
| a) Financial Liabilities | | | |
| (i) Borrowings | 15 | - | 1,70,00,000 |
| (ii) Trade Payables | | | |
| Outstanding dues of micro enterprises and small enterprises | 16 | - | - |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 9,64,91,756 | 50,25,05,449 |
| (iii) Other Financial liabilities | 17 | 4,21,887 | 25,10,12,683 |
| b) Other Current Liabilities | 18 | 1,71,69,340 | 74,46,057 |
| c) Provisions | 19 | 10,000 | 536 |
| d) Current Tax Liabilities (Net) | 20 | - | 6,37,233 |
| | | 11,40,92,983 | 77,86,01,958 |
| Total Equity and Liabilities | | 17,30,20,375 | 83,48,98,652 |

Significant Accounting Policies and Notes to the Financial Statements are an integral part of the Financial Statements


As per our report on even date


For **Singhi & Company**
Chartered Accountants
(Firms's Registration No. 302049E)

For and on behalf of the Board


(Aditya Singhi)
Partner
Membership No. 305161
Place: Kolkata
Date: 09 May 2018




(Shreya Arora)
Company Secretary


(Asok Kumar Goswami)
Director
(DIN:03331661)


(Jyotirmay Bhaumik)
Director
(DIN:06852162)

IPCL Power Trading Private Limited

(CIN : U40109WB2011PTC157205)

Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in ₹, unless specified otherwise)

| Particulars | Note No. | Rs. | Rs. |
|---|----------|---------------------|---------------------|
| | | 31 March 2018 | 31 March 2017 |
| Revenue | | | |
| Revenue from operations | 21 | 82,84,93,997 | 79,26,91,272 |
| Other income | 22 | 3,01,21,571 | 1,20,53,986 |
| Total Income | | 85,86,15,568 | 80,47,45,258 |
| Expenses | | | |
| Purchase of Energy | 23 | 81,93,61,562 | 62,46,95,996 |
| Compensation Charges | 24 | - | 16,09,20,457 |
| Employee benefits expense | 25 | 81,60,652 | 31,99,255 |
| Finance costs | 26 | 43,75,738 | 7,88,910 |
| Depreciation and amortization expense | 4 | 64,794 | 19,783 |
| Other Expenses | 27 | 2,35,34,974 | 1,13,65,827 |
| Total Expenses | | 85,54,97,720 | 80,09,90,228 |
| Profit/(Loss) before exceptional items and tax | | 31,17,848 | 37,55,030 |
| Profit/(Loss) before tax | | 31,17,848 | 37,55,030 |
| Tax expense: | | | |
| Current tax | | 8,94,280 | 11,42,920 |
| Tax adjustments for earlier years | | - | - |
| Deferred tax charge/(credit) | | (1,03,114) | 14,480 |
| Total Tax Expense | | 7,91,166 | 11,57,400 |
| Profit/(Loss) for the period | | 23,26,682 | 25,97,630 |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to Profit & Loss | | | |
| Remeasurement of the net defined benefit plans - Actuarial Gain or (Loss) | | (1,15,722) | 43,373 |
| (ii) Income tax relating to Items that will not be reclassified to Profit & Loss | | 30,088 | (13,402) |
| Total Other Comprehensive Income | | (85,634) | 29,971 |
| Total Comprehensive Income for the period Comprising Profit/(loss) and other Comprehensive Income for the period | | 22,41,048 | 26,27,601 |
| Earning per equity share-Basic & diluted | 32 | 0.45 | 0.50 |

Significant Accounting Policies and Notes to the Financial Statements are an integral part of the Financial Statements

As per our report on even date

For Singhi & Company

Chartered Accountants

(Firms's Registration No. 302049E)

For and on behalf of the Board

Aditya Singhi

(Aditya Singhi)

Partner

Membership No. 305161

Place: Kolkata

Date: 09 May 2018

Shreya Arora

(Shreya Arora)

Company Secretary

Asok Kumar Goswami

(Asok Kumar Goswami)

Director

(DIN:03331661)

Jyotirmay Bhaumik

(Jyotirmay Bhaumik)

Director

(DIN:06852162)



IPCL Power Trading Private Limited
(CIN : U40109WB2011PTC157205)
Statement of changes in Equity for the year ended 31 March 2018
(All amounts in ₹, unless specified otherwise)

A. Equity Share Capital

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of reporting period |
|--|---|--|
| 5,21,00,000 | - | 5,21,00,000 |

B. Other Equity

| Particulars | Retained Earnings | Remeasurement of Defined Benefit Obligation | Total Other Equity |
|--|-------------------|---|--------------------|
| Balance at 1 April 2016 | 14,61,743 | - | 14,61,743 |
| Profit for the year | 25,97,630 | - | 25,97,630 |
| Other Comprehensive Income | - | 29,971 | 29,971 |
| Total Comprehensive Income for the year | 25,97,630 | 29,971 | 26,27,600 |
| Balance at 31 March 2017 | 40,59,373 | 29,971 | 40,89,344 |
| Balance at 1 April 2017 | 40,59,373 | 29,971 | 40,89,344 |
| Profit for the year | 23,26,682 | - | 23,26,682 |
| Other Comprehensive Income | - | (85,634) | (85,634) |
| Total Comprehensive Income for the year | 23,26,682 | (85,634) | 22,41,048 |
| Balance at 31 March 2018 | 63,86,055 | (55,663) | 63,30,392 |


Significant Accounting Policies and Notes to the Financial Statements are an integral part of the Financial Statements

As per our report on even date


For Singhi & Company
Chartered Accountants
(Firms's Registration No. 302049E)

For and on behalf of the Board


(Aditya Singhi)
Partner
Membership No. 305161
Place: Kolkata
Date: 09 May 2018


(Shreya Arora)
Company Secretary


(Asok Kumar Goswami)
Director
(DIN:03331661)


(Jyotirmay Bhaumik)
Director
(DIN:06852162)



IPCL Power Trading Private Limited
(CIN : U40109WB2011PTC157205)
Cash Flow Statement for the year ended March 31, 2018
(All amounts in ₹, unless specified otherwise)

| | Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|--|--|
| A. | Cash Flow from Operating Activities | | |
| | Net Profit/(Loss) before tax | 31,17,848 | 37,55,030 |
| | Adjustments for: | | |
| | Depreciation | 64,794 | 19,783 |
| | Provision made for employee benefits | (1,15,722) | 43,373 |
| | Interest (Received/Receivable) Gross | (1,00,08,214) | (57,54,566) |
| | Interest (Paid/Payable on loans etc.) Gross | 43,75,738 | 7,88,910 |
| | Operating Profit before Working Capital Changes | (25,65,556) | (11,47,470) |
| | Adjustments for: | | |
| | Increase/(Decrease) in Short Term Provisions | 9,464 | (2,297) |
| | Increase/(Decrease) in Long Term Provisions | 4,04,130 | (41,917) |
| | Increase/(Decrease) in Trade Payables | (40,60,13,693) | 50,14,60,449 |
| | Increase/(Decrease) in Other Current Liabilities | (24,06,76,466) | 25,80,43,527 |
| | Decrease/(Increase) in Trade Receivables | 36,31,18,213 | (45,05,40,462) |
| | Decrease/(Increase) in Other Current Assets | 26,09,31,392 | (26,54,49,957) |
| | Cash generated from Operating activities | (2,47,92,516) | 4,23,21,873 |
| | Direct Taxes Paid | (22,74,210) | (7,79,091) |
| | Net Cash from Operating Activities | (2,70,66,726) | 4,15,42,782 |
| B. | Cash Flow from Investing Activities | | |
| | Decrease/(Increase) of Loan | 5,95,01,606 | (6,20,31,967) |
| | Acquisition of Property, Plant & Equipment | (53,100) | (1,49,625) |
| | Interest Received | 74,98,743 | 41,03,096 |
| | Net Cash from Investing activities | 6,69,47,249 | (5,80,78,496) |
| C. | Cash Flow from Financing Activities | | |
| | Interest Paid | (45,66,785) | (5,61,006) |
| | Increase/(Decrease) in Short Term Borrowings | (1,70,00,000) | 1,70,00,000 |
| | Net Cash Flow from Financing Activities | (2,15,66,785) | 1,64,38,994 |
| | Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 1,83,13,738 | (96,720) |
| | Opening Cash and Cash Equivalents | 35,13,635 | 36,10,355 |
| | Closing Cash and Cash Equivalents | 2,18,27,373 | 35,13,635 |
| Notes: | | | |
| 1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Ind AS 7 on Statements of Cash Flows | | | |
| 2. Cash and Cash equivalent at the end of the year consist of: | | | |
| | | As at | As at |
| | | 31st March, 2018 | 31st March, 2017 |
| Notes to the Cash Flow Statement | | | |
| a) Cash in hand | | 908 | 3,381 |
| b) Balance with Banks in Current Account | | 2,18,26,465 | 35,10,254 |
| Total | | 2,18,27,373 | 35,13,635 |

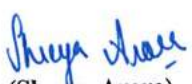
This is the Cash Flow Statement referred to in our report of even date.


For Singhi & Company
Chartered Accountants
(Firms's Registration No. 302049E)


For and on behalf of the Board


(Aditya Singhi)
Partner
Membership No. 305161
Place: Kolkata
Date: 09 May 2018




(Shreya Arora)
Company Secretary


(Asok Kumar Goswami)
Director
(DIN:03331661)


(Jyotirmay Bhaumik)
Director
(DIN:06852162)

IPCL Power Trading Private Limited
Notes on Financial Statements for the year ended March 2018

1. Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2. Foreign Currency Translation

Functional and presentation currency

The financial statements are presented in currency INR, which is also the functional currency of the parent Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3. Significant Accounting Policies

a) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government

Interest Income

Interest income is recorded using the effective interest rate (EIR).

b) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

c) Property, Plant and Equipment

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.



IPCL Power Trading Private Limited
Notes on Financial Statements for the year ended March 2018

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

d) Impairment of non-financial Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

e) Investments and Other Financial Assets

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

- i. **Financial instruments at amortised cost** – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model.

- ii. **Equity investments** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The classification is made on initial recognition and is irrevocable.

De-recognition of financial assets

A financial asset is primarily de-recognised 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.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.



IPCL Power Trading Private Limited

Notes on Financial Statements for the year ended March 2018

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

f) Post-employment, long term and short term employee benefits.

Defined contribution plans

Provident Fund

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

Defined benefit plans

Gratuity (unfunded)

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

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other Long Term Employee Benefits

Compensated absences

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

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.



Short Term Employee Benefits

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

g) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

h) Earnings per share

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

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

i) Income Taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (MAT Credit Entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.



IPCL Power Trading Private Limited
Notes to financial statements for year ended 31 March 2018
(All amounts in ₹, unless specified otherwise)

Note No

4

| Property, Plant and Equipment | Computer Hardware | Total |
|---|-------------------|-----------------|
| Gross Block | | |
| As at 31 March 2017 | | |
| Gross carrying amount as at 01 April 2016 | - | - |
| Addition during FY-2016-17 | 1,49,625 | 1,49,625 |
| Gross carrying amount as at 31 March 2017 | 1,49,625 | 1,49,625 |
| As at 31 March 2018 | | |
| Gross carrying amount as at 01 April 2017 | 1,49,625 | 1,49,625 |
| Addition during FY-2017-18 | 53,100 | 53,100 |
| Gross carrying amount as at 31 March 2018 | 2,02,725 | 2,02,725 |
| Accumulated depreciation and amortisation | | |
| As at 31 March 2017 | | |
| Accumulated depreciation as at 01 April 2016 | - | - |
| Depreciation during FY-2016-17 | 19,783 | 19,783 |
| Accumulated depreciation as at 31 March 2017 | 19,783 | 19,783 |
| As at 31 March 2018 | | |
| Accumulated depreciation as at 01 April 2017 | 19,783 | 19,783 |
| Depreciation during FY-2017-18 | 64,794 | 64,794 |
| Accumulated depreciation as at 31 March 2018 | 84,577 | 84,577 |
| Net block | | |
| Net carrying amount as at 31 March 2017 | 1,29,842 | 1,29,842 |
| Net carrying amount as at 31 March 2018 | 1,18,148 | 1,18,148 |

5

| DEFERRED TAX ASSETS (NET) | As at 31 March 2018 | As at 31st March, 2017 |
|-------------------------------------|------------------------|---------------------------|
| Deferred Tax Assets | | |
| Expenses allowable on payment basis | 1,31,819 | - |
| Deferred Tax Liabilities | | |
| Depreciation on Non-Current Assets | 13,098 | - |
| Total | 1,18,721 | - |

6

| TRADE RECEIVABLES | As at 31 March 2018 | As at 31st March, 2017 |
|--|------------------------|---------------------------|
| Trade receivables (Unsecured, considered good unless otherwise stated) | | |
| Unsecured Considered good | 8,74,22,249 | 45,05,40,462 |
| Total | 8,74,22,249 | 45,05,40,462 |

7

| CASH & CASH EQUIVALENTS | As at 31 March 2018 | As at 31st March, 2017 |
|-------------------------|------------------------|---------------------------|
| Balances with banks:- | | |
| In current accounts | 2,18,26,465 | 35,10,254 |
| Cash on hand | 908 | 3,381 |
| Total | 2,18,27,373 | 35,13,635 |

8

| CURRENT FINANCIAL ASSETS - LOANS | As at 31 March 2018 | As at 31st March, 2017 |
|---|------------------------|---------------------------|
| Loans and advances (Unsecured, considered good unless otherwise stated) | | |
| Loan to Swaymbhu Natural Resources Pvt Ltd | - | 6,20,00,000 |
| Loans & Advances to Employees | - | 27,023 |
| Security Deposit | 5,25,00,000 | 5,00,00,000 |
| Advances recoverable in cash | 23,812 | 14,944 |
| Recoverable from employees | 16,549 | - |
| Total | 5,25,40,361 | 11,20,41,967 |



IPCL Power Trading Private Limited**Notes to financial statements for year ended 31 March 2018**

(All amounts in ₹, unless specified otherwise)

Note No

| 9 | OTHER CURRENT FINANCIAL ASSETS | As at 31 March 2018 | As at 31st March, 2017 |
|---|---|--------------------------------|-----------------------------------|
| | Accrued Interest on Investments, Bank deposit and Deposits etc. | 57,32,260 | 32,22,789 |
| | Unbilled Revenue | 10,14,483 | 26,54,49,957 |
| | Total | 67,46,743 | 26,86,72,746 |

| 10 | CURRENT TAX ASSETS | As at 31 March 2018 | As at 31st March, 2017 |
|----|---|--------------------------------|-----------------------------------|
| | Advance Tax (Net of Provision for Tax) (Advance Tax Rs.7,74,115, TDS Receivable Rs.27,56,041, less Provision for tax Rs.27,87,459) | 7,42,697 | - |
| | Total | 7,42,697 | - |

| 11 | OTHER NON FINANCIAL CURRENT ASSET | As at 31 March 2018 | As at 31st March, 2017 |
|----|--|--------------------------------|-----------------------------------|
| | Advance for Goods | 34,90,884 | - |
| | Advance for Services | 13,199 | - |
| | Total | 35,04,083 | - |



IPCL Power Trading Private Limited
Notes to financial statements for year ended 31 March 2018
(All amounts in ₹, unless specified otherwise)

Note No.

| Particulars | As at 31 March 2018 | As at 31st March, 2017 |
|---|------------------------|---------------------------|
| 12 SHARE CAPITAL | | |
| Details of Authorised, Issued, Subscribed and paid up Share Capital | | |
| Authorised | | |
| 60,00,000 (PY - 60,00,000 nos) equity shares of Re 10/- each | 6,00,00,000 | 6,00,00,000 |
| | 6,00,00,000 | 6,00,00,000 |
| Issued, Subscribed & fully paid up equity shares | | |
| 52,10,000 (PY - 52,10,000 nos) equity shares of Re 10/- each | 5,21,00,000 | 5,21,00,000 |
| Total | 5,21,00,000 | 5,21,00,000 |

- 12.1 The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.2 Reconciliation of number of share outstanding

| Particulars | As at 31 March 2018 | As at 31st March, 2017 |
|-----------------------------|------------------------|---------------------------|
| As at beginning of the year | 52,10,000 | 52,10,000 |
| Add: Issued during the year | - | - |
| As at end of the year | 52,10,000 | 52,10,000 |

12.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates :

| Name of Company (Relationship) | No of Shares | Amount |
|---|--------------|-------------|
| As at 31 March 2018 (India Power Corporation Limited-Holding Company) | 52,00,000 | 5,20,00,000 |
| As at 31 March 2017 (India Power Corporation Limited-Holding Company) | 52,00,000 | 5,20,00,000 |

12.4 The following is the list of the shareholders holding more than 5% equity shares:

| Name of Shareholder | No of Shares | % Holding |
|---|--------------|-----------|
| As at 31 March 2018 (India Power Corporation Limited-Holding Company) | 52,00,000 | 99.81% |
| As at 31 March 2017 (India Power Corporation Limited-Holding Company) | 52,00,000 | 99.81% |

13 DEFERRED TAX LIABILITIES (NET)

| | As at 31 March 2018 | As at 31st March, 2017 |
|-------------------------------------|------------------------|---------------------------|
| Deferred Tax Liabilities | | |
| Depreciation on Non-Current Assets | - | 21,628 |
| Deferred Tax Assets | | |
| Expenses allowable on payment basis | - | 7,148 |
| Total | - | 14,480 |

14 NON CURRENT - PROVISIONS

| Provision for employee benefits | As at 31 March 2018 | As at 31st March, 2017 |
|---------------------------------|------------------------|---------------------------|
| Leave Encashment | 2,39,000 | 48,888 |
| Gratuity | 2,58,000 | 43,982 |
| Total | 4,97,000 | 92,870 |

15 CURRENT FINANCIAL LIABILITIES - BORROWING

| | As at 31 March 2018 | As at 31st March, 2017 |
|---------------------------|------------------------|---------------------------|
| Loan from Holding Company | - | 1,70,00,000 |
| Total | - | 1,70,00,000 |



IPCL Power Trading Private Limited
Notes to financial statements for year ended 31 March 2018
(All amounts in ₹, unless specified otherwise)

Note No.

| 16 | CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE | As at 31 March 2018 | As at 31st March, 2017 |
|----|---|------------------------|---------------------------|
| | Trade Payables | | |
| | Payable for goods and services | 9,64,91,756 | 50,25,05,449 |
| | Other trade payables | | |
| | - due to micro, small & medium enterprises | - | - |
| | Total | 9,64,91,756 | 50,25,05,449 |

16.1 Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2018 & as on 31 March 2017 as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the period is Rs Nil. The disclosures as required under the said Act are as under:

| Particulars | As at 31 March 2018 | As at 31st March, 2017 |
|--|------------------------|---------------------------|
| Principal Amount due to supplier under MSMED | - | - |
| Interest due to supplier on above | - | - |
| Any payment made to supplier beyond appointed date (under Section 16 of the Act) | - | - |
| Interest due and payable to supplier under MSMED | - | - |
| Interest accrued and remaining unpaid as at 31st March. | - | - |
| Interest remaining due and payable under section 23 of the Act | - | - |

| 17 | OTHER CURRENT FINANCIAL LIABILITIES | As at 31 March 2018 | As at 31st March, 2017 |
|----|--|------------------------|---------------------------|
| | Interest accrued but not due on Borrowings | - | 1,91,047 |
| | Other Payables | | |
| | Employee related liabilities | 480 | 94,971 |
| | Liability for Expenses | - | 25,05,09,938 |
| | Others | 4,21,407 | 2,16,727 |
| | Total | 4,21,887 | 25,10,12,683 |

| 18 | CURRENT NON FINANCIAL LIABILITIES | As at 31 March 2018 | As at 31st March, 2017 |
|----|-----------------------------------|------------------------|---------------------------|
| | Statutory dues payable | 2,08,528 | 74,46,057 |
| | Advance from customers and others | 1,69,60,812 | - |
| | Total | 1,71,69,340 | 74,46,057 |

| 19 | CURRENT PROVISIONS | As at 31 March 2018 | As at 31st March, 2017 |
|----|--|------------------------|---------------------------|
| | Provision for employee benefits | | |
| | Leave Encashment | 9,000 | 240 |
| | Gratuity | 1,000 | 296 |
| | Total | 10,000 | 536 |

| 20 | CURRENT TAX LIABILITIES (NET) | As at 31 March 2018 | As at 31st March, 2017 |
|----|--|------------------------|---------------------------|
| | Provision for Income Tax (Net of advance tax and TDS) (Provision for Tax Rs.18,93,179/- less Advance Tax Rs.1,90,075/-, TDS Receivable Rs.10,65,871/-) | - | 6,37,233 |
| | Total | - | 6,37,233 |



IPCL Power Trading Private Limited
Notes to financial statements for year ended 31 March 2018
(All amounts in ₹, unless specified otherwise)

Note No

| | | | |
|------|--|-------------------------------------|--|
| 21 | REVENUE FROM OPERATIONS | Year ended 31 March 2018 | Year ended 31st March, 2017 |
| | Sale of Energy | 81,51,04,744 | 62,46,95,996 |
| | Compensation Charges | - | 16,09,20,457 |
| | Trading Margin | 1,33,89,253 | 59,79,634 |
| | Facilitation Charges | - | 10,95,185 |
| | Total | 82,84,93,997 | 79,26,91,272 |
| 21.1 | Sales Energy in Kwh | 19,06,30,885 | 14,94,90,870 |
| 22 | OTHER INCOME | Year ended 31 March 2018 | Year ended 31st March, 2017 |
| | Interest Income | | |
| | -on Security Deposit | 42,50,000 | 42,50,000 |
| | -on Loan | 57,58,214 | 14,61,699 |
| | -on Fixed Deposit with banks | - | 42,867 |
| | Sundry balance written back | 2,01,13,357 | - |
| | Late payment surcharge | - | 62,99,420 |
| | Total | 3,01,21,571 | 1,20,53,986 |
| 23 | PURCHASE OF ENERGY | Year ended 31 March 2018 | Year ended 31st March, 2017 |
| | Purchase Of Energy | 81,93,61,562 | 62,46,95,996 |
| | Total | 81,93,61,562 | 62,46,95,996 |
| 23.1 | Purchase of energy in Kwh | 19,06,30,885 | 14,94,90,870 |
| 24 | COMPENSATION CHARGES | Year ended 31 March 2018 | Year ended 31st March, 2017 |
| | Compensation Charges | - | 16,09,20,457 |
| | Total | - | 16,09,20,457 |
| 25 | EMPLOYEE BENEFIT EXPENSE | Year ended 31 March 2018 | Year ended 31st March, 2017 |
| | Salaries & wages | 77,49,013 | 30,45,382 |
| | Contribution to provident and other funds | 4,11,639 | 1,53,873 |
| | Total | 81,60,652 | 31,99,255 |
| 26 | FINANCE COST | Year ended 31 March 2018 | Year ended 31st March, 2017 |
| | Interest expenses | 43,75,738 | 7,88,910 |
| | Total | 43,75,738 | 7,88,910 |
| 27 | OTHER EXPENSES | Year ended 31 March 2018 | Year ended 31st March, 2017 |
| | Administrative expenses | | |
| | Professional and consultancy fees | 3,39,970 | 2,33,323 |
| | Custodial Fees | 10,350 | 10,305 |
| | Annual License, Subscription, Application etc fees | 11,75,000 | 6,39,000 |
| | Rates & Taxes | 17,600 | 17,500 |
| | Bank Charges | 24,628 | 72,755 |
| | Filing Fees | 6,600 | 5,412 |
| | Car Hire Charges | 3,30,601 | - |
| | Medical Expenses | - | 60,020 |
| | Repair & Maintenance | 60,051 | - |
| | Processing Fees | 11,500 | - |
| | Travelling Expenses | 6,62,478 | 4,57,897 |
| | Printing & Stationery | 11,963 | 3,863 |
| | Sundry balance written off | 2,01,13,364 | |
| | Payment to Auditors: | | |
| | As Statutory Audit Fee | 59,000 | 23,100 |
| | For other matters | 59,000 | - |
| | General Charges | 6,52,869 | 64,234 |
| | Late payment surcharge | - | 97,78,418 |
| | Total | 2,35,34,974 | 1,13,65,827 |



IPCL Power Trading Private Limited

Notes to financial statements for year ended 31 March 2018

(All amounts in ₹, unless specified otherwise)

Note No

28 EMPLOYEE BENEFIT OBLIGATIONS

Post-Employment Obligations - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The weighted average duration of the defined benefit obligation as at 31 March 2018 is 15 years (31 March 2017: 23.23 years).

The amounts recognised in the Statement of Financial Position and the movements in the net defined benefit obligation over the year are as follows:

| Changes in defined benefit obligation | 31 March 2018 | 31 March 2017 |
|---|-----------------|---------------|
| Present value obligation as at the start of the year | 44,278 | 63,134 |
| Interest cost | 3,000 | 4,988 |
| Current service cost | 96,000 | 19,529 |
| Past service cost | - | - |
| Benefits paid | - | - |
| Actuarial loss/(gain) on obligations | 1,15,722 | (43,373) |
| Present value obligation as at the end of the year | 2,59,000 | 44,278 |

| Change in fair value of plan assets | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| Fair value of plan assets as at the start of the year | - | - |
| Return on plan assets | - | - |
| Actuarial loss/(gain) | - | - |
| Contribution | - | - |
| Benefits paid | - | - |
| Fair value of plan assets as at the end of the year | - | - |

| Breakup of Actuarial gain/loss: | 31 March 2018 | 31 March 2017 |
|--|-----------------|-----------------|
| Actuarial (gain)/loss on arising from change in financial assumption | 43,000 | (1,15,028) |
| Actuarial (gain)/loss on arising from experience adjustment | 72,722 | 71,655 |
| Total | 1,15,722 | (43,373) |

| Reconciliation of present value of defined benefit obligation and the fair value of plan assets | 31 March 2018 | 31 March 2017 |
|---|-----------------|---------------|
| Present value obligation as at the end of the year | 2,59,000 | 44,278 |
| Fair value of plan assets as at the end of the year | - | - |
| Net asset recognized in Statement of Financial Position | 2,59,000 | 44,278 |

| Amount recognized in the statement of profit and loss | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| Current service cost | 96,000 | 19,529 |
| Past service Cost | - | - |
| Interest cost | 3,000 | 4,988 |
| Amount recognised in the statement of profit and loss | 99,000 | 24,517 |

| Amount recognized in the statement of Other Comprehensive Income | 31 March 2018 | 31 March 2017 |
|---|-----------------|-----------------|
| Return on Plan Assets | - | - |
| Actuarial (gain)/loss on arising from change in financial assumption | 43,000 | (1,15,028) |
| Actuarial (gain)/loss on arising from experience adjustment | 72,722 | 71,655 |
| Amount recognised in the statement of Other Comprehensive Income | 1,15,722 | (43,373) |

| Actuarial assumptions | 31 March 2018 | 31 March 2017 |
|------------------------|---------------|---------------|
| Discount rate | 7.60% | 7.38% |
| Future salary increase | 5.00% | 3.50% |



IPCL Power Trading Private Limited
Notes to financial statements for year ended 31 March 2018
(All amounts in ₹, unless specified otherwise)

Note No

28 EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

Sensitivity analysis for gratuity liability

| Particulars | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | | |
| a) Impact due to increase of 1 % | 33,000 | 36,308 |
| b) Impact due to decrease of 1 % | 39,000 | 54,320 |
| Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | | |
| a) Impact due to increase of 1 % | 40,000 | 54,631 |
| b) Impact due to decrease of 1 % | 34,000 | 35,972 |

Defined Contribution Plans

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the company is limited to the amount contributed and it has no further contractual not any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs.3,71,066 (31 March 2017 Rs.1,51,229)

29 RELATED PARTY INFORMATION

Related party have been identified in Terms of Ind AS 24 "Related party disclosure" as listed below

29 (a) Names of related parties and related party relationship

| Name of Related Party | Relationship |
|---|--------------------------------|
| (i) India Power Corporation Limited | Holding Company |
| (i) Meenakshi Energy Limited | Fellow Subsidiary |
| (ii) India Power Corporation (Bodhgaya) Limited | Fellow Subsidiary |
| (iii) India Power Green Utility Private Limited | Fellow Subsidiary |
| (iv) IPCL Pte. Limited | Fellow Subsidiary |
| (v) Ms. Shreya Arora | Key management personnel (KMP) |

29 (b) Related party transactions

| During the Financial Year | 31 March 2018 | | 31 March 2017 | |
|--|---|--------------------------|---|--------------------------|
| | Holding Company/Fellow subsidiary of IPCL | Key Management Personnel | Holding Company/Fellow subsidiary of IPCL | Key Management Personnel |
| Interest income on Security Deposit | | | | |
| India Power Corporation Limited | 42,50,000 | | 42,50,000 | - |
| ICD Received | | | | |
| India Power Corporation Limited | 63,32,00,000 | | 5,70,00,000 | - |
| ICD Repaid | | | | |
| India Power Corporation Limited | 65,02,00,000 | | 4,00,00,000 | - |
| Interest expense on ICD | | | | |
| India Power Corporation Limited | 40,13,225 | | 2,12,274 | - |
| ICD Issued | | | | |
| India Power Corporation Limited | 80,76,00,000 | | | |
| ICD Refunded | | | | |
| India Power Corporation Limited | 80,76,00,000 | | | |
| Interest income on ICD | | | | |
| India Power Corporation Limited | 57,58,214 | | | |
| Bank Charges (Expenses) | | | | |
| India Power Corporation Limited | - | | 13,915 | - |
| Advance Given | | | | |
| India Power Corporation Limited | - | | 12,00,00,000 | - |
| Advance Repaid | | | | |
| India Power Corporation Limited | - | | 12,00,00,000 | - |
| Purchase of Energy | | | | |
| Meenakshi Energy Limited | 81,93,61,562 | | 62,46,95,996 | - |
| Trading Margin | | | | |
| India Power Corporation Limited | 24,10,342 | | - | |
| Meenakshi Energy Limited | 53,34,427 | | 59,79,634 | - |

IPCL Power Trading Private Limited
Notes to financial statements for year ended 31 March 2018
(All amounts in ₹, unless specified otherwise)

Note No

29 (b) Related party transactions (Contd.)

| During the Financial Year | 31 March 2018 | | 31 March 2017 | |
|--|---|--------------------------|---|--------------------------|
| Nature of Transactions | Holding Company/Fellow subsidiary of IPCL | Key Management Personnel | Holding Company/Fellow subsidiary of IPCL | Key Management Personnel |
| Compensation Charges | | | | |
| Meenakshi Energy Limited | - | | 11,91,59,649 | - |
| Late Payment Surcharge | | | | |
| Meenakshi Energy Limited | - | | 97,78,418 | - |
| Short-Term Employee Benefit | | | | |
| Ms. Shreya Arora | | 4,47,486 | - | 4,10,004 |
| Post-Employment Benefits | | | | |
| Ms. Shreya Arora | | 5,000 | - | 2,564 |
| Other Long Term Employee Benefits | | | | |
| Ms. Shreya Arora | | 7,000 | - | 4,974 |

| 29 (c) Balance outstanding at the end of the year | 31 March 2018 | 31 March 2017 |
|---|--|--|
| Related Parties | Holding Company/ Fellow subsidiary of IPCL | Holding Company/ Fellow subsidiary of IPCL |
| Purchase of Energy | | |
| Meenakshi Energy Limited | - | 58,23,15,731 |
| Compensation Charges Payable | | |
| Meenakshi Energy Limited | 8,71,45,276 | 11,91,59,649 |
| Late payment surcharge payable | | |
| Meenakshi Energy Limited | 93,46,480 | 97,78,418 |
| Security Deposit made during the year (receivable) | | |
| India Power Corporation Limited | 5,00,00,000 | 5,00,00,000 |
| Interest receivable on Security Deposit | | |
| India Power Corporation Limited | 57,32,260 | 19,07,260 |
| Loan Taken | | |
| India Power Corporation Limited | - | 1,70,00,000 |
| Interest payable on Loan | | |
| India Power Corporation Limited | - | 1,91,047 |
| Advance received for Power Purchase | | |
| India Power Corporation Limited* | 1,69,60,812 | - |

*The Company earns Trading Margin for energy purchased and sold through Indian Energy Exchange .Hence, the same relates to advance received for such purchase remaining to be executed as on 31st March 2018.

30 FAIR VALUE MEASUREMENTS

| Financial Assets and Liabilities by Category | 31 March 2018 Amortised Cost | 31 March 2017 Amortised Cost |
|--|---------------------------------|---------------------------------|
| Financial Assets | | |
| Trade Receivables | 8,74,22,249 | 45,05,40,462 |
| Cash and Cash Equivalents | 2,18,27,373 | 35,13,635 |
| Other Bank Balances | - | - |
| Loans and Advances | 23,812 | 6,20,41,967 |
| Security Deposits | 5,25,00,000 | 5,00,00,000 |
| Accrued Interest | 57,32,260 | 32,22,789 |
| Unbilled Revenue | 10,14,483 | 26,54,49,957 |
| Total Financial Assets | 16,85,20,177 | 83,47,68,810 |
| Financial Liabilities | | |
| Borrowings | - | 1,70,00,000 |
| Trade Payables | 9,64,91,756 | 50,25,05,449 |
| Interest Accrued | - | 1,91,047 |
| Employee Obligations | 480 | 94,971 |
| Liability for Expenses | - | 25,05,09,938 |
| Others | 4,21,407 | 2,16,727 |
| Total Financial Liabilities | 9,69,13,643 | 77,05,18,132 |



IPCL Power Trading Private Limited
Notes to financial statements for year ended 31 March 2018

(All amounts in ₹, unless specified otherwise)

Note No
30 FAIR VALUE MEASUREMENTS (Contd.)
Fair value of financial assets and liabilities measured at amortised cost

| Particulars | 31 March 2018 | | 31 March 2017 | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| Trade Receivables | 8,74,22,249 | 8,74,22,249 | 45,05,40,462 | 45,05,40,462 |
| Cash and Cash Equivalents | 2,18,27,373 | 2,18,27,373 | 35,13,635 | 35,13,635 |
| Other Bank Balances | - | - | - | - |
| Loans and Advances | 23,812 | 23,812 | 6,20,41,967 | 6,20,41,967 |
| Security Deposits | 5,25,00,000 | 5,25,00,000 | 5,00,00,000 | 5,00,00,000 |
| Accrued Interest | 57,32,260 | 57,32,260 | 32,22,789 | 32,22,789 |
| Unbilled Revenue | 10,14,483 | 10,14,483 | 26,54,49,957 | 26,54,49,957 |
| Total Financial Assets | 16,85,20,177 | 16,85,20,177 | 83,47,68,810 | 83,47,68,810 |
| Financial Liabilities | | | | |
| Borrowings | - | - | 1,70,00,000 | 1,70,00,000 |
| Trade Payables | 9,64,91,756 | 9,64,91,756 | 50,25,05,449 | 50,25,05,449 |
| Interest Accrued | - | - | 1,91,047 | 1,91,047 |
| Employee Obligations | 480 | 480 | 94,971 | 94,971 |
| Liability for Expenses | - | - | 25,05,09,938 | 25,05,09,938 |
| Others | 4,21,407 | 4,21,407 | 2,16,727 | 2,16,727 |
| Total Financial Liabilities | 9,69,13,643 | 9,69,13,643 | 77,05,18,132 | 77,05,18,132 |

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

| Risk | Exposure arising from |
|----------------|--|
| Credit Risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. |
| Liquidity Risk | Borrowings and other liabilities |
| Market Risk | Future commercial transactions |

31.1 Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company extends credit to consumers in normal course of business. Consumers outstanding are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as low.

The ageing of trade receivables is as below:

| Particulars | Neither Due nor Impaired | Upto 6 Months | 6 months to 12 Months | Above 12 months | Total |
|------------------------------------|--------------------------|---------------------|-----------------------|--------------------|---------------------|
| Trade Receivable | | | | | |
| As at 31 March 2018 | | | | | |
| Secured | - | - | - | - | - |
| Unsecured | - | 2,41,81,618 | 3,73,34,125 | 2,59,06,506 | 8,74,22,249 |
| Gross Total | - | 2,41,81,618 | 3,73,34,125 | 2,59,06,506 | 8,74,22,249 |
| Provision for doubtful receivables | - | - | - | - | - |
| Net Total | - | 2,41,81,618 | 3,73,34,125 | 2,59,06,506 | 8,74,22,249 |
| As at 31 March 2017 | | | | | |
| Secured | - | - | - | - | - |
| Unsecured | 19,33,36,844 | 25,66,59,346 | 5,44,272 | - | 45,05,40,462 |
| Gross Total | 19,33,36,844 | 25,66,59,346 | 5,44,272 | - | 45,05,40,462 |
| Provision for doubtful receivables | - | - | - | - | - |
| Net Total | 19,33,36,844 | 25,66,59,346 | 5,44,272 | - | 45,05,40,462 |



IPCL Power Trading Private Limited**Notes to financial statements for year ended 31 March 2018**

(All amounts in ₹, unless specified otherwise)

Note No**31.2 Liquidity Risk**

The company objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on borrowing and internal accruals to meet its need for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs and hence evaluate the concentration of risk with respect to liquidity as low. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table provides undiscounted cash flow towards non-derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

| Particulars | Carrying Amount | On demand | 6 to 12 Months | Above 12 months | Total |
|--|---------------------|---------------------|--------------------|-----------------|---------------------|
| As at 31 March 2018 | | | | | |
| Interest bearing Borrowings (Including Current Maturity) | - | - | - | - | - |
| Trade Payables | 9,64,91,756 | 9,64,91,756 | - | - | 9,64,91,756 |
| Interest Accrued | - | - | - | - | - |
| Employee Obligations | 480 | 480 | - | - | 480 |
| Liability for Expenses | - | - | - | - | - |
| Others | 4,21,407 | 4,21,407 | - | - | 4,21,407 |
| Total | 9,69,13,643 | 9,69,13,643 | - | - | 9,69,13,643 |
| As at 31 March 2017 | | | | | |
| Interest bearing Borrowings | 1,70,00,000 | - | 1,70,00,000 | - | 1,70,00,000 |
| Trade Payables | 50,25,05,449 | 50,25,05,449 | - | - | 50,25,05,449 |
| Interest Accrued | 1,91,047 | - | 1,91,047 | - | 1,91,047 |
| Employee Obligations | 94,971 | 94,971 | - | - | 94,971 |
| Liability for Expenses | 25,05,09,938 | 25,05,09,938 | - | - | 25,05,09,938 |
| Others | 2,16,727 | 2,16,727 | - | - | 2,16,727 |
| Total | 77,05,18,132 | 75,33,27,085 | 1,71,91,047 | - | 77,05,18,132 |

31.3 Market risk

The Company does not have any foreign currency denominated components in its Equity and has not transacted with any foreign currency denominated financial instruments during the year. Therefore, any change in foreign exchange rates on the reporting date will not affect Profit/Loss as on that date.

31.4 Interest rate risk exposure

Company does not foresee any interest rate risk as there is no borrowings

| Particulars | 31 March 2018 | 31 March 2017 |
|--------------------------|---------------|--------------------|
| Variable rate borrowings | - | - |
| Fixed rate borrowings | - | 1,70,00,000 |
| Total borrowings | - | 1,70,00,000 |

31.5 Capital Management**Risk Management**

The Company's strategy is to maintain a gearing ratio within 5. The gearing ratios were as follows:

| Particulars | 31 March 2018 | 31 March 2017 |
|---------------------------------|---------------|---------------|
| Net debt | - | - |
| Total equity | 5,84,30,392 | 5,61,89,344 |
| Net debt to equity ratio | - | - |



IPCL Power Trading Private Limited

Notes to financial statements for year ended 31 March 2018

(All amounts in ₹, unless specified otherwise)

Note No

| 32 | EARNINGS PER SHARE | 31 March 2018 | 31 March 2017 |
|----|-------------------------------------|----------------------|----------------------|
| | Profit/(Loss) after tax | 23,26,682 | 25,97,630 |
| | No. of equity shares outstanding | 52,10,000 | 52,10,000 |
| | Earning per share (Basic & Diluted) | 0.45 | 0.50 |
| | Face value per equity share | 10 | 10 |

| 33 | INCOME TAX EXPENSE | 31 March 2018 | 31 March 2017 |
|----|--|----------------------|----------------------|
| | (i) Income tax recognised in the statement of profit and loss | | |
| | Current Tax | 8,94,280 | 11,42,920 |
| | Deferred tax | (1,03,114) | 14,480 |
| | Total income tax expense recognised in statement of profit and loss | 7,91,166 | 11,57,400 |
| | (ii) Income tax recognised in the statement OCI | | |
| | Deferred tax expense on remeasurement of defined benefit plans | 30,088 | (13,402) |
| | Total income tax expense recognised in statement of OCI | 30,088 | (13,402) |
| | Tax expense attributable to current year's profit | 8,21,254 | 11,43,998 |

Effective tax Reconciliation

| | 31 March 2018 | 31 March 2017 |
|--|----------------------|----------------------|
| Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate to income tax expense reported is as follows: | | |
| Profit/(Loss) before tax | 31,17,848 | 37,55,030 |
| At India's statutory income tax rate of 25.75% (31 March 2017: 30.90%) | 8,02,846 | 11,60,304 |
| Increase/(reduction) in taxes on account of: | | |
| Non Deductible expense for tax purpose | 1,03,064 | 10,353 |
| Deductions/exemptions | (11,634) | (27,740) |
| Change in Tax Rate | (1,083) | - |
| Others | (1,02,027) | 14,483 |
| Income tax expense reported in current year | 7,91,166 | 11,57,400 |

34 On a conservative basis , the company has not provided for the surcharge payable @ 1.25% p.m. and likewise surcharge recoverable by company on late receipt beyond 30 days from the date of bill receipt and issue respectively in the current financial year. The company has decided to recognise the same on receipt basis going forward .

35 Segment reporting

As per requirement of Indian Accounting Standard (IND AS) 108, 'Operating Segments', no disclosures are required to be made since the Company's activities consist of single segment.

36 Previous year's figure have been rearranged/regrouped wherever necessary.

The accompanying notes are an integral part of the financial statements.


This is the summary of significant accounting policies and other explanatory information as per our report of even date


For Singhi & Company
Chartered Accountants
(Firms's Registration No. 302049E)

For and on behalf of the Board


(Aditya Singhi)
Partner
Membership No. 305161
Place: Kolkata
Date: 09 May 2018


(Shreya Arora)
Company Secretary


(Asok Kumar Goswami)
Director
(DIN:03331661)


(Jyotirmay Bhaumik)
Director
(DIN:06852162)

