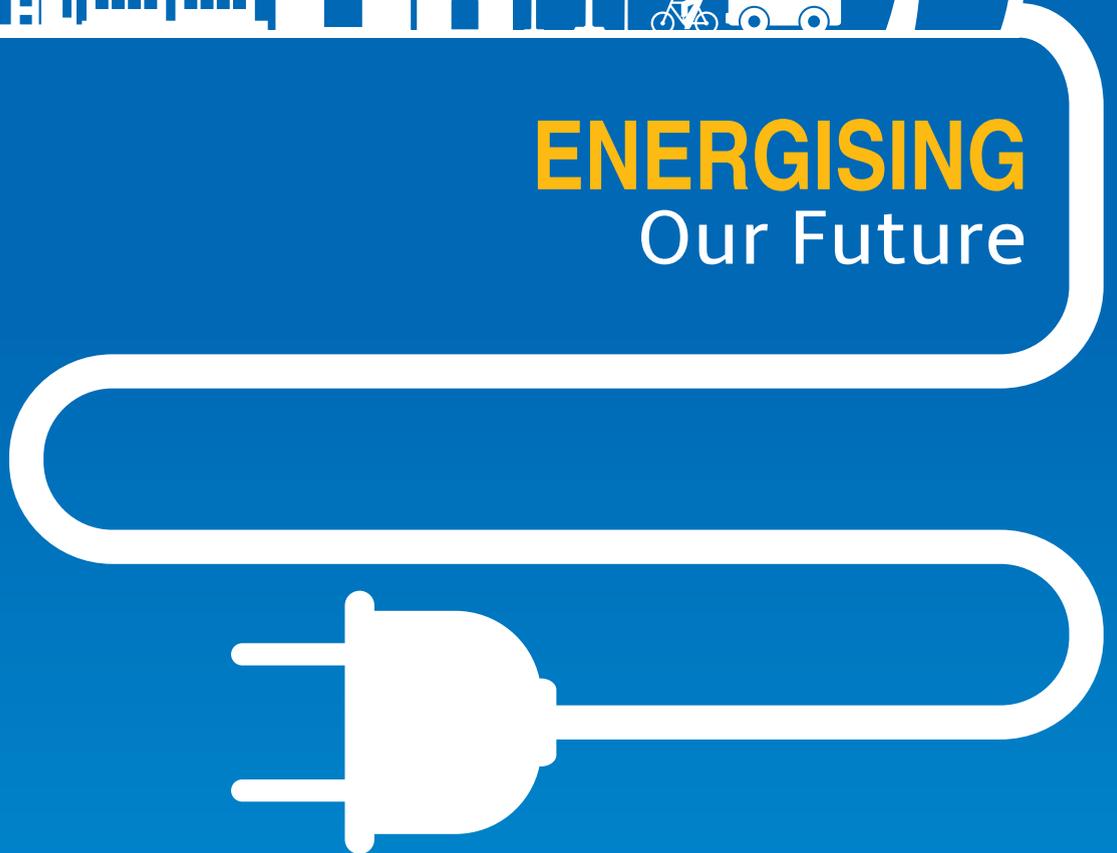


2016-17  
Annual Report

**INDIA POWER**  
Adding power to life



**ENERGISING**  
Our Future



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Hemant Kanoria - *Chairman*  
Raghav Raj Kanoria - *Managing Director (w.e.f 1st June, 2017)*  
Sunil Kanoria - *Non-Executive Director*  
Jyoti Kumar Poddar - *Non-Executive Director*  
Amit Kiran Deb - *Independent Director*  
Debi Prasad Patra - *Independent Director*  
Dipali Khanna - *Independent Director*  
Nand Gopal Khaitan - *Independent Director*  
S. Sundareshan - *Independent Director*  
Tantra Narayan Thakur - *Independent Director*  
Asok Kumar Goswami - *Whole-time Director*

## CHIEF EXECUTIVE OFFICER

Shrirang Bhalchandra Karandikar

## CHIEF FINANCIAL OFFICER

Sushil Kumar Agarwal (*w.e.f 6th December, 2016*)  
Laxmi Narayan Mandhana (*till 18th July, 2016*)

## COMPANY SECRETARY

Prashant Kapoor

## BOARD COMMITTEES

### AUDIT COMMITTEE

Amit Kiran Deb - *Chairman*  
Debi Prasad Patra  
Jyoti Kumar Poddar  
Nand Gopal Khaitan  
Sunil Kanoria  
S. Sundareshan

### SHAREHOLDERS' / INVESTORS' GRIEVANCE AND STAKEHOLDERS' RELATIONSHIP COMMITTEE

Hemant Kanoria - *Chairman*  
Debi Prasad Patra  
Jyoti Kumar Poddar

### NOMINATION & REMUNERATION COMMITTEE

Nand Gopal Khaitan - *Chairman*  
Amit Kiran Deb  
Debi Prasad Patra  
Hemant Kanoria  
Jyoti Kumar Poddar

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Hemant Kanoria - *Chairman*  
Amit Kiran Deb  
Jyoti Kumar Poddar

### RISK MANAGEMENT COMMITTEE

Tantra Narayan Thakur - *Chairman*  
Amit Kiran Deb  
Asok Kumar Goswami  
Debi Prasad Patra  
Hemant Kanoria  
Jyoti Kumar Poddar

## COMMITTEE OF DIRECTORS

Hemant Kanoria - *Chairman*  
Asok Kumar Goswami  
Jyoti Kumar Poddar  
Sunil Kanoria

## STATUTORY AUDITORS

Lodha & Co.  
Chartered Accountants

## BANKERS

Andhra Bank  
AXIS Bank Limited  
Bank of India Limited  
Corporation Bank  
ICICI Bank Limited  
IDBI Bank Limited  
Lakshmi Vilas Bank  
RBL Bank Limited  
State Bank of India  
The South Indian Bank Limited  
Yes Bank Limited

## REGISTRAR & SHARE TRANSFER AGENT [EQUITY SHARES & DEBENTURES (NCD)]

CB Management Services (P) Ltd.  
P-22, Bondel Road, Kolkata - 700019  
Tel: +91-33-40116700, 2280 6692/93/94/2486  
Fax: +91 33 2287 0263  
E-mail: rta@cbmsl.com

## DEBENTURE TRUSTEE

Axis Trustee Services Limited  
Axis House, 2nd Floor, Wadia International Centre  
Pandurang Budhkar Marg, Worli, Mumbai - 400025  
Tel: +91-22-2425 5215/5216; Fax: +91-22-4325 3000  
E-mail: debenturetrustee@axistrustee.com

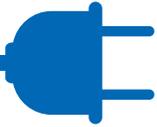
## REGISTERED OFFICE

Plot X1 - 2 & 3, Block-EP, Sector V,  
Salt Lake City, Kolkata - 700091  
Tel: +91-33-6609 4308-10  
Fax: +91-33-2357 2452  
E-mail: corporate@indiapower.com; pr@indiapower.com  
Website: www.indiapower.com  
CIN: L40105WB1919PLC003263

## ANNUAL GENERAL MEETING

Saturday, 12th August, 2017 at 11:30 a.m.  
at Registered Office, Plot X1-2 & 3, Block-EP,  
Sector V, Salt Lake City, Kolkata - 700091





## ABOUT IPCL

India Power Corporation Limited (IPCL), formerly known as DPSC Limited and incorporated in 1919, is one of the leading power generation and utility companies in India. An ISO 9001:2015 entity, it has actively forayed into a diversified portfolio, with renewable and conventional modes of power generation, distribution & power trading. Currently, it has 1,462 MW of thermal portfolio spread across West Bengal and Andhra Pradesh; and 143.2 MW of renewable energy in Gujarat, Rajasthan, Karnataka, Maharashtra, West Bengal and Uttarakhand. It has a Distribution License in Asansol, West Bengal and a Distribution Franchisee in Gaya, Bihar. IPCL is set to establish a 450 MW thermal power plant (3 \* 150 MW) in Haldia, West Bengal. The first unit has already been commissioned while the second unit will be commissioned by 2017-18 and the final unit thereafter.

**(2.10%)**

Revenue

**14.58%**

Cash profit

**37.88%**

Profit before tax

**14.29%**

Earnings per share (EPS)

**45.09%**

EBITDA

**5.65%**

Book value per share

**18%**

Profit after tax

Y-o-Y: Growth in 2016-17 over 2015-16  
based on consolidated figures

## ACROSS THIS REPORT

### CORPORATE OVERVIEW

**2-35**

Board of Directors	2
Corporate Identity	4
Our Business Model	6
Financial Trajectory	8
Chairman's Communique	10
<b>Energising Our Future</b>	
Accumulating Capacities and Consolidating Energies	12
Stakeholder Management	16
Our Operational Efficiencies	18
Overview of Our Plant Locations	20
Our People – Our Greatest Treasure	26
Caring for Our Communities	28
India Power in Limelight	34

### STATUTORY REPORTS

**36-103**

Management Discussion and Analysis	36
Board's Report and its Annexures	44

### FINANCIAL STATEMENTS

**104-263**

Standalone Financial Statements	104
Consolidated Financial Statements	176

### Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## BOARD OF DIRECTORS



**Hemant Kanoria, Chairman**

Shri Hemant Kanoria has over 37 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C) besides being a Member of the Regional Direct Taxes Advisory Committee, Government of India.



**Raghav Raj Kanoria, Managing Director**

Shri Raghav Raj Kanoria holds a Bachelors Degree in Commerce with experience in Power and Finance Industry. He is presently the Chairman of Infrastructure Committee of Indian Chamber of Commerce, Chairperson of East & North East Regional Council of The Indo-Canadian Business Chamber, Member of Task Force - Electricity Distribution, Government of Rajasthan and Managing Committee Member of Bengal Chamber of Commerce.



**Sunil Kanoria, Non-Executive Director**

Shri Sunil Kanoria is a Chartered Accountant with more than 29 years of experience in the financial services industry. He has been the immediate past President of The Associated Chambers of Commerce & Industry of India, the former governing body member of the Construction Industry Development Council (CIDC) and is presently the Council Member of The Institute of Chartered Accountants of India (ICAI).



**Jyoti Kumar Poddar, Non-Executive Director**

Shri Jyoti Kumar Poddar has rich experience as an industrialist with interests in multifarious sectors like tea gardens, real estate and power. He has handled the entire Indian & Sri Lankan operations in solar business for Shell Solar Ltd., Netherlands and is actively involved towards contributing to the green energy mission of the Country by way of setting up solar photovoltaic cell manufacturing unit and other power projects in India.



**Amit Kiran Deb, Independent Director**

Shri Amit Kiran Deb is a Masters Degree holder in Political Science from Allahabad University. He joined the Indian Administrative Service (IAS) in year 1971 assigned to the West Bengal Cadre. Thereafter, he served the Government in various critical departments and portfolios, including the District Magistrate in Darjeeling and Midnapore, Commissioner-cum-Secretary, Education and Social Welfare Dept., Govt. of Tripura, Joint Secretary, Cabinet Secretariat and Joint Secretary, Department of Electronics and had also represented Government of India in GATT negotiations in services in Geneva. He has also held several key positions in Government of West Bengal like Special Secretary, Power Department, Principal Secretary, Information and Cultural Affairs Department, Principal Secretary to Chief Minister, West Bengal, Home Secretary, Government of West Bengal before retiring as Chief Secretary, Government of West Bengal.



**Debi Prasad Patra, Independent Director**

Shri Debi Prasad Patra IAS (Retd.) holds a Master Degree in Political Science from Delhi University. He joined the Indian Administrative Service in 1979 and was assigned to the West Bengal Cadre and thereafter had a distinguished period spanning over 24 years in Government wherein he held several key portfolios including the post of Under Secretary, Home Department, District Magistrate of Darjeeling and South 24 Parganas, Director of Industries, Managing Director, West Bengal Industrial Development Corporation and Secretary, Information Technology. He took voluntary retirement from Government services in year 2003 and from then has continued to enrich the Board of various reputed companies. He currently is the Whole-time Director of Materials Chemicals and Performance Intermediaries Private Limited (Formerly MCC PTA India Corp. Private Limited), a TCG Group Company.



### Dipali Khanna, Independent Director

Smt. Dipali Khanna is a MA (History) from Delhi University, M.Sc. (National Security) from National Defence College and has also completed a Certificate Course (Cost & Management Accountancy) from Institute of Cost & Works Accountants. Smt. Dipali Khanna, a former officer of the Indian Railway Accounts Service (1976 batch), currently working as the CEO of the Indira Gandhi National Centre of Arts (IGNCA), New Delhi. Prior to her joining the IGNCA, she has worked in various capacities in the realm of Finance Administration during her years of the civil service. She has worked as Additional Secretary and Financial Advisor for various Ministries, including the Ministry of Information & Broadcasting, Ministry of Culture/Tourism, Ministry of Law & Justice, National Disaster Management Authority, Ministry of Defence, Railway Board and Ministry of Power. She also served actively on the boards of four large Public Sector Undertakings (PSUs) under the Ministry of Defence (HAL, MDL, GRSE & GSL), two PSUs under the Ministry of Power (NEPCO & THDC), one PSU each under Ministry of Tourism (ITDC) and Ministry of Information & Broadcasting (NFDC).



### Nand Gopal Khaitan, Independent Director

Shri Nand Gopal Khaitan is a Senior Partner of Khaitan & Co., a leading law firm in India. He passed his Attorneyship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations and was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, High Court, Calcutta. He is a Notary Public appointed by the Govt. of India. He has rich experience in all aspects of laws and more particularly, Real Estate, Corporate laws and has handled important Litigations covering different branches of laws including Mergers & Acquisition, Restructuring and De-mergers. He is the President of Indian Council of Arbitration, New Delhi; a Committee member of the Federation of Indian Chambers of Commerce and Industry, New Delhi; Vice President of Bharat Chamber of Commerce; Immediate Past President of The Agri-Horticultural Society of India; Executive Committee member of two leading Schools in Kolkata and had been the President of two leading Social Clubs in Kolkata.



### S. Sundareshan, Independent Director

Shri S. Sundareshan is an IAS officer and holds a MBA Degree from the University of Leeds, United Kingdom. He also holds a Masters Degree in Arts from the University of Bombay. He has held senior positions of responsibility in the Government of India and the Government of Kerala. He has held various key positions such as District Magistrate, Managing Director of the Kerala Fisheries Corporation; Managing Director of the Kerala Milk Marketing Federation; Joint Chief Controller of Imports and Exports, Ministry of Commerce; Joint Secretary in the Department of Economic Affairs in the Ministry of Finance, Government of India; Chairman of the Forward Market Commission in Bombay; Additional Secretary, Special Secretary and Secretary in the Ministry of the Petroleum and Natural Gas. He was also in-charge of the Disinvestment Programme of the Government. He has also been on the Boards of Indian Oil Corporation, Oil and Natural Gas Corporation and Gas Authority of India Limited. He was also Chairman of Petronet LNG Limited. He is presently the Chairman of Indian Clearing Corporation Limited.



### Tantra Narayan Thakur, Independent Director

Shri Tantra Narayan Thakur a former member of prestigious Civil Service in India, has more than 40 years of experience with government, private & global companies in India, South Asia & SE Asia in Power Sector, Treasury Management & Financial Management. Widely acclaimed as innovative professional for setting up & managing businesses, he is serving as non-executive Member on Board of several companies including Infra Co Asia Development Pte Ltd. and Infra Co Asia Investment Pte Ltd., Singapore. He was instrumental for setting up of first Power Exchange in India. Also credited for turning around of Power Finance Corporation (PFC), India in one year as Director (Finance & Financial Operations). He also led the first electricity trading company in India/South Asia as Chairman & Managing Director. He is a Member of the Management Board of TERI University and a Faculty of the Faculty of Management Services (FMS) of Delhi University. He was Member of the Advisory Board of TERI for a number of years and was a Member of the Finance Committee of Jawahar Lal Nehru University (JNU).



### Asok Kumar Goswami, Whole-time Director

Shri A.K. Goswami, a District, State and National Scholar, is an Engineer and MBA. He is Member of different societies and a Chartered Engineer. He has worked as Executive Director and Vice President in Indian and Multinational Companies. He has earlier worked as Commissioned Officer in Indian Air Force. He has attended Technical and Management course at Air Force Technical College at Bangalore and Commanders Course at Air Force Administrative College at Coimbatore. He is a recipient of Commendation from Air Officer Commanding in Chief for excellence of service.

# INDIA'S ECONOMY

is poised for a tremendous leap,

**riding on the back of its enormous young demography and its government's development-led policies and reforms and energy will play a crucial role in this.**

However, the power sector has to overcome a few hurdles to provide the required impetus for writing India's success story.

India's government is spearheading the 'Power for All' campaign to provide 24x7 uninterrupted power supply for every Indian. Moreover, the Paris Agreement of 2016 requires each participating country to report its plans to mitigate global warming. Hence, there is an added thrust on tapping clean and renewable energy, as well.

India Power Corporation Limited - IPCL is getting future ready to contribute towards India's prosperity by taking the right decisions. During the year, we acquired the 1,000 MW Meenakshi Power Plant to augment

our generation capacity to 1,605.2 MW. Together, with our new joint venture India Uniper Power Services Private Limited, we are focusing on creating operational efficiency and flexibility for our thermal power plants.

We signed up for an alliance with the United States Trade and Development Agency to implement the smart grid technology across our distribution network. Adoption of this new technology will ensure greater efficiency, reliability and an enhanced customer service experience in our distribution franchisee business.

India Power Green Utility Private Limited, a wholly-owned Subsidiary of IPCL entered into a partnership with Punj Lloyd to co-develop 36 MW of solar power assets in Uttarakhand. This will help us develop a portfolio of green assets keeping in line with the Government's emphasis on renewable energy sector.

India Power is committed to meet India's rising power needs. Leveraging our specialised services in power Generation, Transmission and Distribution, we are well poised to meet the industry's demand curve.



# PROGRESSING WITH PASSION

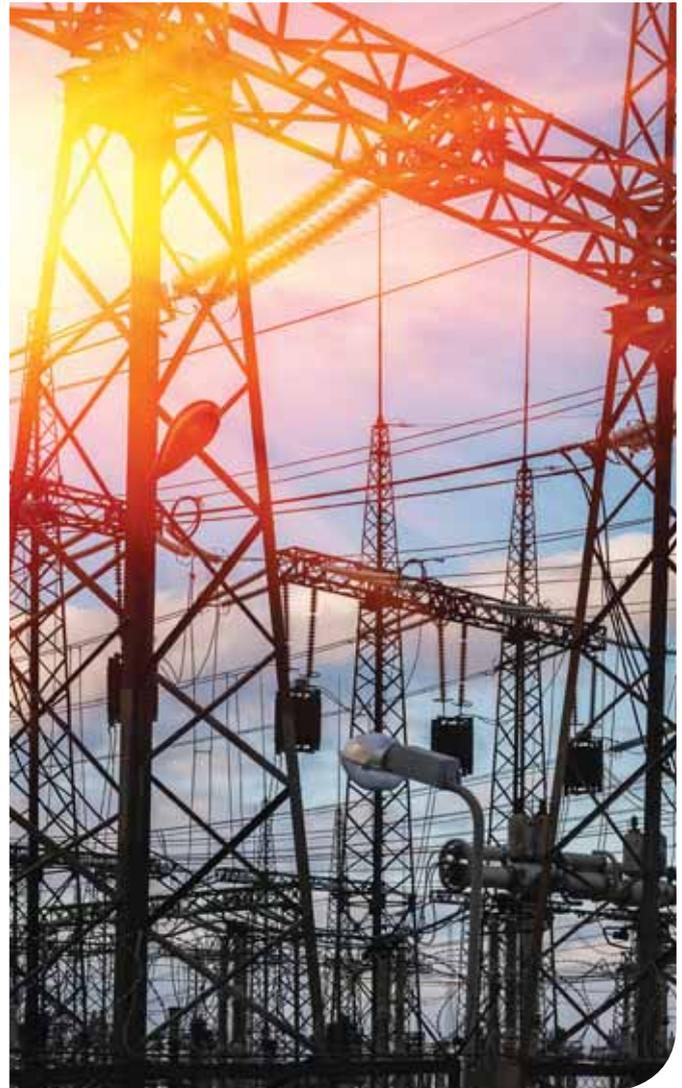
We are in step with the country's energy requirements and the Government's vision of providing reliable and regular energy supply for all. With over 97 years of experience, we have developed a deep understanding of the power business; and thus, our strategies are based on prudence and a futuristic vision.

## Our Vision

A leading and reliable end-to-end energy solutions provider.

## Our Mission

- To empower industries and millions of humans by being the lowest cost, most reliable and environmentally sound conventional and non-conventional energy provider.
- To provide employees a strong sense of ownership, professional respect and pride resulting in high morale and performance.
- To increase stakeholder value through growth and profitability.



## Our Corporate Philosophy

### VALUES

- Performance – target oriented
- Imagination and initiative
- Employee's empowerment
- Integrity, ownership & sense of belongingness



### CULTURE

A unique culture comprising three 'D's:

- Discipline
- Dedication
- Devotion



### FOCUS AREAS

Together, we will achieve our vision by consistently growing through:

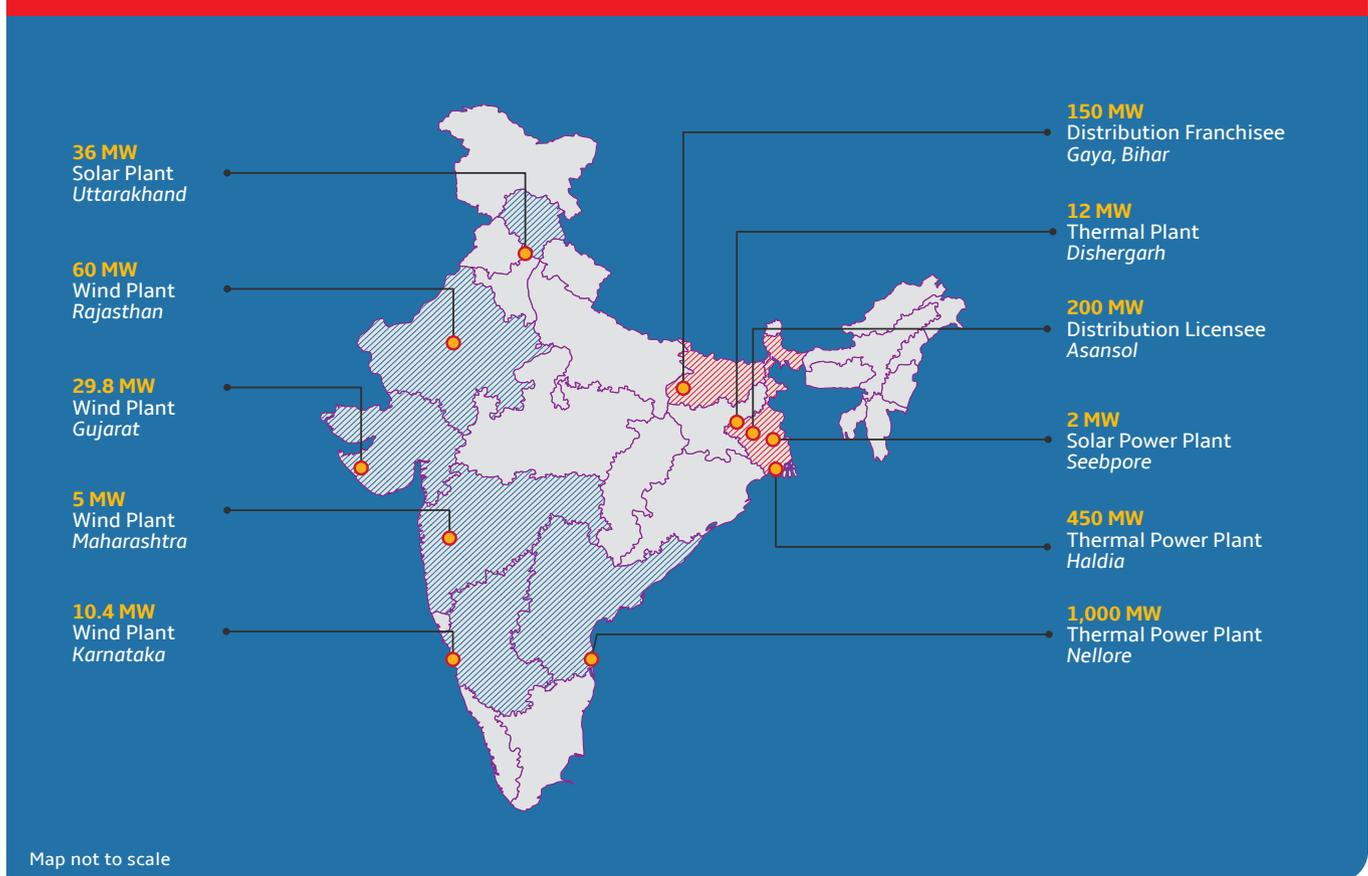
- Competitiveness and cost efficiency
- Constant search for opportunities
- Complementary strategic alliances
- Competency enhancement
- Customer orientation



## OUR BUSINESS MODEL

We have a nine-decade long legacy of power generation and a responsive distribution network. Along with conventional modes of power generation, we harness wind and solar energies to help increase India's power generation capacity. We are a Distribution Licensee holder and a Franchisee. Moreover, we have a Category-3 State Trading License that allows us to trade up to 628 Million Units (MU) of electricity per annum across India.

### INDIA POWER'S GEOGRAPHIC SPREAD



#### DISTRIBUTION LICENSEE – ASANSOL

- Spread over 618 sq. km. in Asansol-Durgapur-Ranigunj area in Burdwan district of West Bengal
- Reduced T&D loss levels from ~5% (at takeover) to less than 3% (one of the lowest in India)
- Implemented 100% automatic reading (AMR), pre-paid meter and SAP system
- Enhanced grid reliability of 99.99% (one of the highest in India)

#### DISTRIBUTION FRANCHISEE – GAYA

- Spread over 1,630 sq. km serving 1,81,652 customers
- Commenced operations three years ago in Gaya-Bodhgaya-Manpur region of Bihar
- Increased power supply from ~11 hours (at takeover) to ~23 hours in March 2017
- Reduced T&D loss levels from ~68% (at takeover) to ~49% in 2017

## Generation portfolio

 <b>Thermal</b>	 <b>Wind</b>	 <b>Solar</b>
<b>Dishergarh</b> <ul style="list-style-type: none"> <li>1*12 MW thermal power project at Dishergarh in West Bengal</li> </ul>	<b>Rajasthan</b> <ul style="list-style-type: none"> <li>60 MW wind power plant at Jaisalmer district, Rajasthan in two phases; the power is sold to Ajmer and Jaipur DISCOMs</li> </ul>	<b>Uttarakhand</b> <ul style="list-style-type: none"> <li>36 MWp Solar Power Plant located at three villages in Udham Singh Nagar district and power is sold to Uttarakhand Power Corporation Limited</li> </ul>
<b>Haldia</b> <ul style="list-style-type: none"> <li>1*150 MW thermal power project commissioned</li> <li>2*150 MW thermal power project under implementation</li> </ul>	<b>Gujarat</b> <ul style="list-style-type: none"> <li>29.8 MW wind power plant at Rajkot, Jamnagar and Kutch district; the power is sold to Gujarat Urja Vikas Nigam Limited</li> </ul>	<b>Seebpore</b> <ul style="list-style-type: none"> <li>2 MW grid connected solar power plant located at Asansol, Seebpore area, jointly developed with West Bengal Green Energy Development Corporation Limited</li> </ul>
<b>Nellore</b> <ul style="list-style-type: none"> <li>2*150 MW thermal power project operational</li> <li>2*350 MW thermal power project under implementation</li> </ul>	<b>Karnataka</b> <ul style="list-style-type: none"> <li>10.4 MW wind power in Chitradurga district, Karnataka; the power is sold to Bangalore Electricity Supply Company Limited</li> </ul> <b>Maharashtra</b> <ul style="list-style-type: none"> <li>5 MW wind power in Sangli and Dhule district; the power is sold to Maharashtra State Electricity Distribution Company</li> </ul>	



### Awards and Accolades

- National Award for Excellence in CSR and Sustainability from National CSR Leadership Congress and Awards
- Smart Grid Project of the Year and Power Utility of the Year by Asian Power Awards, 2016
- Received Certificate of Registration Quality Management System – ISO 9001: 2015

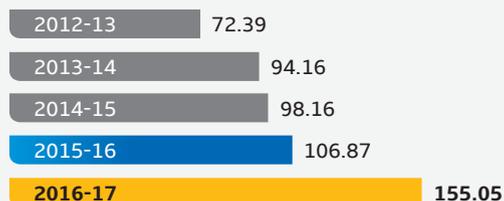
# FINANCIAL TRAJECTORY

## Revenue (₹ in Crore)



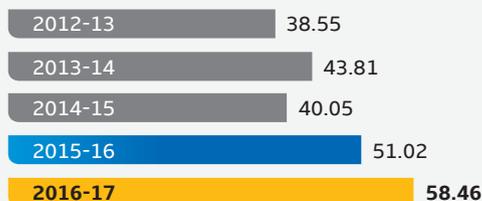
1.97% 5 year CAGR (2.10%) (Y-O-Y)

## EBIDTA (₹ in Crore)



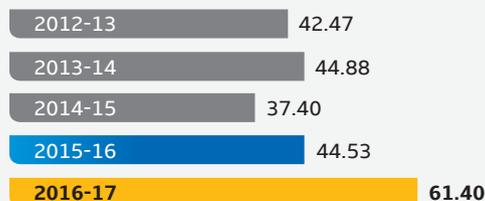
16.46% 5 year CAGR 45.09% (Y-O-Y)

## Cash profit (₹ in Crore)



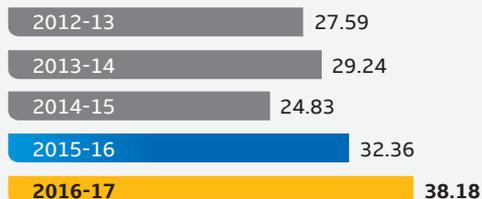
8.69% 5 year CAGR 14.58% (Y-O-Y)

## Profit before tax (₹ in Crore)



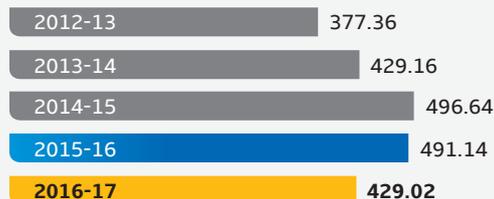
7.65% 5 year CAGR 37.88% (Y-O-Y)

## Profit after tax (₹ in Crore)



6.71% 5 year CAGR 18% (Y-O-Y)

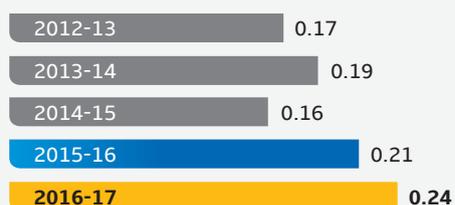
## Gross block (₹ in Crore)



2.60% 5 year CAGR (12.65%) (Y-O-Y)

**Earnings per share**

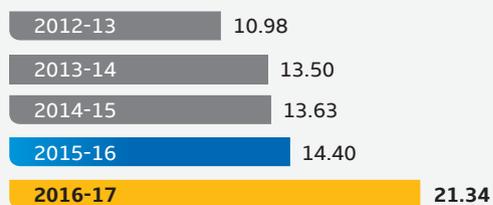
(₹)

7.14% 5 year CAGR **14.29% (Y-O-Y)****Book value per share**

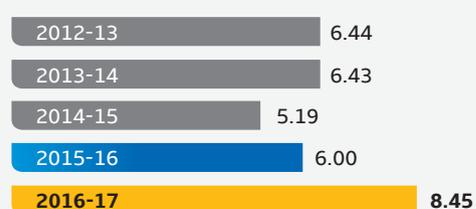
(₹)

2.85% 5 year CAGR **5.65% (Y-O-Y)****EBIDTA margin**

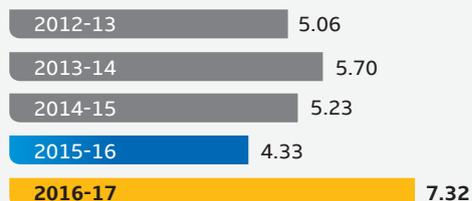
(%)

**Net profit margin**

(%)

**ROCE**

(%)



Figures for FY 2014-15, 2015-16 and 2016-17 pertain to consolidated figures.

Figures for FY 2016-17 are Ind AS figures, and as such are not comparable with previous years' figures which were prepared under previous GAAP.

## CHAIRMAN'S COMMUNIQUE



industry or services, which imply that power sector has huge potential. In spite of that, there is short-term pain due to the ongoing tectonic shift.

India Power has been growing prudently. We have been continuously working towards improving our efficiency levels. For instance, our Gaya Distribution Franchisee (DF) has successfully reduced its T&D loss from 68% (at takeover) to 49% as on 31st March, 2017. By optimising capacities and operational efficiency, we are meeting the needs of more than 1,81,652 consumers in Gaya. We have to set new records and achieve new milestones in both conventional and renewable energy portfolio.

### YEAR UNDER REVIEW

India Power closed last financial year with a remarkable all-round performance. The consolidated profit after tax (PAT) was ₹ 38.18 crore in 2016-17. Profit before tax (PBT) improved from ₹ 46.55 crore in 2015-16 to ₹ 61.40 crore during the last financial year. Gross revenue for 2016-17 was at ₹ 726.68 crore compared to ₹ 760.99 crore in 2015-16. Our earnings per share stood at ₹ 0.24 for the year ended on 31st March, 2017. The Board of Directors recommended a dividend of 5% to the shareholders.

### KEY ACCOMPLISHMENTS

FY 2016-17 can be summarised as the year for exploiting operational synergies and capacity expansion. Moreover, we focused on loss reduction and we were able to consistently maintain the T&D loss below 3% recorded in FY 2015-16.

One of our landmark acquisitions was Meenakshi Energy Private Limited [now known as Meenakshi Energy Limited (MEL)] from French power giant ENGIE. The thermal plant located in Nellore, Andhra Pradesh has a total capacity of 1,000 MW, of which 300 MW is currently operational. The remaining

### *Dear Members,*

The power sector in India and globally is undergoing a metamorphosis, as technology and renewables are rapidly changing the landscape. Globally, the power costs have fallen steeply. With new technology making it possible to store renewable energy, it is expected that soon consumers will become their own producers. However, in India, the power sector continues to be an enigma. The irony is that there are still millions of people who do not get their power requirements met, and on the other

end, we have power producers who are not able to sell power as the DISCOMs are power surplus. To further complicate matters, power prices are at their historic lows whereas the power tariff to consumers is still high. Therefore, this sector is going through a fundamental and transformational shift. The uncertainties and unsynchronised policies have resulted in huge non-performing loans for the banks resulting in tremendous stress in the power sector. There is no doubt that electricity is a basic raw material for every sector – be it agriculture or

700 MW is expected to be operational by 31st March, 2018. This takeover will enable us to capitalise on MEL's operational efficiency and expand our generation business.

India Power is also setting up 450 MW (150 MW x 3) power plant in Haldia, West Bengal. The first unit has been commissioned, the second unit will be commissioned in 2017-18 and the final unit by the end of next financial year. The investment is around ₹ 3,500 crore, one of the largest in the state in recent years.

Another significant feather in our cap is our partnership with Uniper Kraftwerke GmbH which is one of the largest power generation companies in the world with about 40 GW of installed generating capacity across technologies and geographies. Through this joint venture, India Uniper Power Services Private Limited will get access to their pioneering technology and best-in-class operational systems. These would include plant operations and maintenance, asset monitoring software and analytical tools, flexible utilisation of units, lifecycle extension, supply and integration of pollution control equipment and systems, among others.

Moreover, we entered into an agreement with US Trade and Development Agency, USTDA, which is an arm of the US government. The USTDA helps companies create US jobs through the export of goods and services for priority development projects in emerging economies. The USTDA has agreed to grant funds to IPCL to implement the smart grid technology across our networks, especially at Gaya. Additionally, India Power Green Utility Private Limited (IPGUPL) partnered with Punj Lloyd to develop a 36 MW of solar power plant in Uttarakhand, with an investment of ₹ 225 crore which has already been commissioned. IPGUPL's

main focus is to help India Power expand its portfolio of green assets and Punj Lloyd's partnership will help us in achieving our green energy goals.

Matsya Shipping & Ports Private Limited, a Joint Venture with Andamax GmbH is engaged in logistics, infrastructure building, designing, developing and setting up of transshipment/transloading facilities/floating transfer facilities etc.

In FY 2017, we welcomed 150 new members to the India Power family from our Meenakshi plant. We are confident that this will be a long association. We look forward to nurturing the careers of our new members just like we have been doing for our other staff members. Moreover, this year we have stepped up our efforts to meet our sustainability and social responsibility goals. We concentrated our activities around healthcare, education, women empowerment and community development.

We are cognisant of our societal obligation to reduce our carbon footprint by adopting green technologies and innovative practices. We have received several awards commemorating our efforts for a greener plant and a developed society. We have won the National Award for Excellence in CSR and Sustainability in the category of Best Overall Excellence. Besides, we bagged the Asian Power Awards 2016 for Smart Grid Project of the Year and Power Utility of the Year.

### OUTLOOK

Your Company has bravely weathered all challenges in FY 2016-17 and come out stronger. The year 2017 will be pivotal for India Power as we are energised for the future. Our power generation assets are coming on stream with the help of major investments. Approximately 500 MW will be operational by the

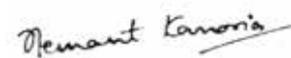
end of 2017 between Meenakshi and Haldia power plants. These two assets will make the power generation segment a substantial contributor to the Company's revenues. India Uniper Power Services Private Limited is poised to be the consulting company to our Meenakshi and Haldia power plants. We will showcase our success by way of:

- Efficient management of operating and maintenance costs of both locations
- Emphasis on the flexibility of technology for preparedness for the next level of generation business
- Innovation in fuel management
- Technology improvement in power plant
- Participation in technology fairs, exhibitions and meetings
- Raising awareness about the benefits of technology leading to cost reduction
- Flexibility of technology for future-ready businesses

Over nine decades of experience in the power segment has permeated an in-depth understanding of the industry. Our flexible approach and adoption of latest technology is well suited to cater to the growing needs of this industry. With our agile attitude towards the business, we are confident of etching our name in the industry as one of the best service providers in the power sector.

I would like to thank all shareholders, customers and employees who have been instrumental in crafting the nine-decade long legacy of India Power. I am certain that together we will scale new heights of success in the year ahead.

With best wishes,



**HEMANT KANORIA**  
Chairman

# ACCUMULATING CAPACITIES

and consolidating energies



*With India's demand for power supply increasing year-on-year and the government's focus on continuously supplying clean electricity, India's power sector is poised for tremendous growth. At IPCL, we are committed to capitalise on this industry trend through various inorganic measures that will consolidate our assets. Apart from enhancing capacities, these measures allow us to adopt best industry practices through improved infrastructure.*



## Meenakshi Energy Limited

**India Power Corporation Limited (IPCL) entered into an agreement with ENGIE, a French multinational electric utility company, to acquire shares of Meenakshi Energy Limited (MEL) in Nellore, Andhra Pradesh.**

We completely took over the 1,000 MW power plant in September, 2016, to add thermal power generation capacity at IPCL. We are confident that acquiring MEL will help us merge its operational efficiency with our existing assets.

It has a coal-fired thermal power plant with a capacity of 300 MW which is functional. The remaining 700 MW plant is under-advanced stage of construction. The acquisition of MEL demonstrates IPCL's commitment to become a future-ready organisation prepared to cater to India's growing energy needs.

## Meenakshi plant

<b>Fuel source</b>	Imported coal (Phase I) Domestic and imported coal (Phase II)
<b>Power evacuation</b>	Through a 400 Kilovolt Manubolu sub-station at a distance of 26 km from the site
<b>Commercial operation date (Phase I)</b>	30th April, 2013
<b>Scheduled commercial operation date (Phase II)</b>	31st March, 2018
<b>Resource Availability</b>	Land: Acquired entire area required for the project Water: Kandaleru creek at a distance of one kilometre from the project site

## India Uniper Power Services Private Limited

**We are committed to the vision of reliable power supply for all Indians, which is a fundamental requirement for India's development. To actualise this vision, we entered into an agreement with Germany-based, Uniper to establish a 50:50 joint venture, India Uniper Power Services Private Limited.**

At India Uniper Power Services Private Limited, we will offer a wide range of flexible and bespoke services to India's power sector players, which will include:

- Plant operations and maintenance
- Asset monitoring software and analytical tools
- Flexibilisation of units
- Lifecycle extension
- Supply and integration of pollution control equipment and systems

Clients can choose either full service arrangements or individual services as per their needs.

The IPCL and Uniper joint venture will combine the strengths of both organisations enhancing the scope and portfolio of India Uniper Power Services Private Limited. With Uniper's expertise in the power business, we will incorporate best practices and make our thermal power plants more competitive. A substantial portion of India's energy portfolio is expected to remain coal-based owing to sufficient coal reserves and low costs of thermal power generation. Thus, it is imperative for thermal power plants to increase focus on operational efficiency and flexibility.



### ABOUT UNIPER

Uniper is an international energy company with a portfolio that combines large-scale power generation and the effective management of global and regional energy supply chains. Uniper supplies energy and has significant platforms of technologically advanced generation assets across Europe and Russia. Uniper has 40 GW of installed generation capacity across technologies and geographies. It owns 31 GW of its own dispatchable generation capacity. The Company has extensive experience in managing large, complex portfolios of generation.

## United States Trade and Development Agency (USTDA) alliance

**We are partnering with USTDA to implement smart grid technology across our network, especially in Gaya distribution franchisee. A smart technology grid ensures greater efficiency, reliability and enhanced customer service.**

The USTDA collaboration is a one-of-a-kind project for a distribution franchisee in India. It is expected to increase opportunities for the private sector in the electricity distribution and network management segment. IPCL and USTDA partnership will be formalised through a Federal Business Opportunity (FBO).

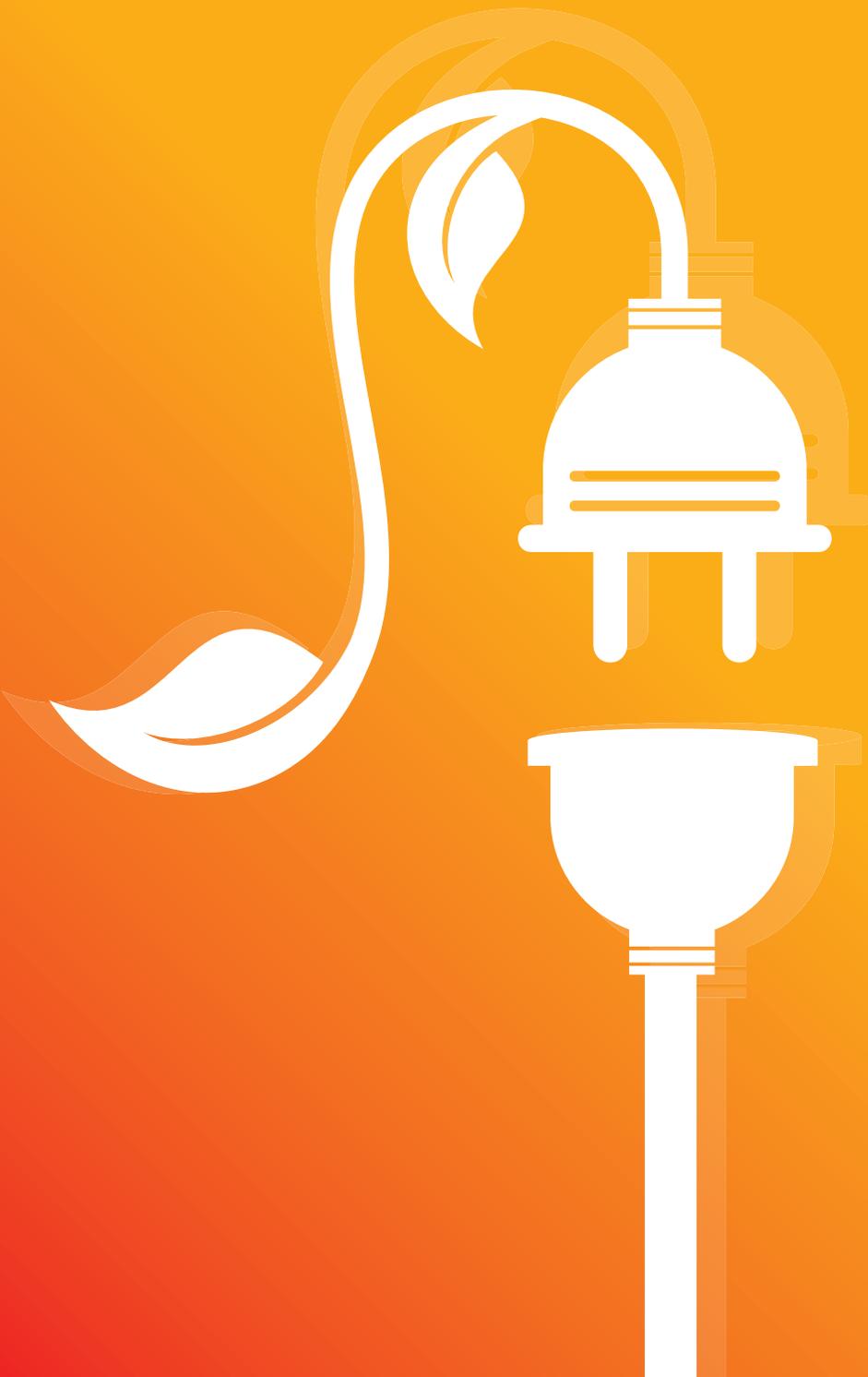


## India Power and Punj Lloyd partnership

**We incorporated India Power Green Utility Private Limited (IPGUPL) in December 2015 as a wholly owned subsidiary of India Power Corporation Limited.**

Its primary focus is to develop and/or acquire green assets to build a sizeable portfolio of green energy. IPCL has partnered with Punj Lloyd Infrastructure Limited (PLIL) to co-develop 36 MW of solar assets in Uttarakhand for special purpose vehicles. The Uttarakhand Power Corporation has signed a 25-year long-term power purchase agreement.

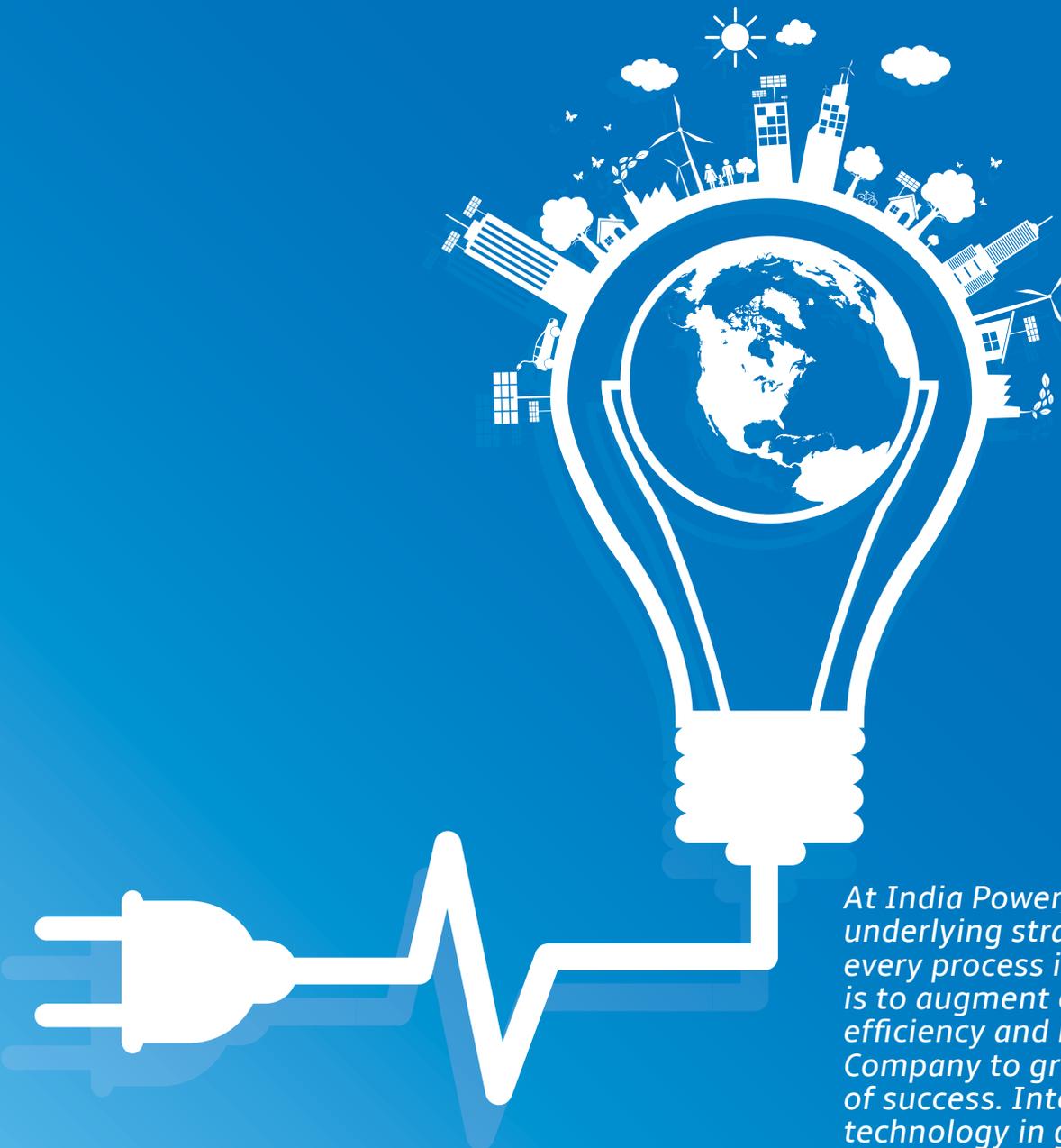
# STAKEHOLDER MANAGEMENT



*At IPCL, stakeholder management is an essential part of how we conduct our business. Stakeholder management aims to engage with our key stakeholders consistently through various platforms. We prioritise identifying issues that concern our stakeholders to protect their interests. We are focused on adding value to stakeholder lives by nurturing and empowering them to maximise their potential. Our stakeholders include: Shareholders, Employees, Customers, Local communities and Media amongst others.*

<b>Why we engage</b>	<p>It is our responsibility to provide timely and transparent information which enhances our credibility with the investor community. This in turn enables them to make informed decisions about our financial and non-financial performance.</p>	<p>IPCL provides a congenial work environment for employees to give their best. A culture of employee engagement has been inculcated with a robust reward and recognition programme.</p>
<b>What we are doing</b>	<ul style="list-style-type: none"> <li>• General meetings of shareholders</li> <li>• Regular media interactions and press releases on key achievements of IPCL and collate them on our website</li> <li>• Website publication of AGM Notices, Annual Reports, Quarterly Newsletters etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition and retention of talent and promotion of teamwork for employees</li> <li>• Enhancing a cosmopolitan and diverse workforce</li> <li>• Learning and development by regular technical (industry-related) and behavioural trainings</li> <li>• Create a safe and conducive work environment for female employees. Also, maintaining an Internal Complaints Committee for any redressals.</li> <li>• Embrace innovative ideas and processes to enhance business performance</li> </ul>
<b>Why we engage</b>	<p>Reliability and transparency are two important elements of our customer strategy. We strongly believe that a healthy relationship with our customers will drive our Company's performance. We are passionate about delivering a great customer experience by lighting up people's lives.</p>	<p>Our progress and development of communities around us are co-dependent. We are committed to provide a better quality of life for our people and local communities through our social and cultural projects.</p>
<b>What we are doing</b>	<ul style="list-style-type: none"> <li>• Replacement of electro-mechanical energy meters by static electronic energy meters</li> <li>• Sanitation of distribution transformers</li> <li>• Strengthened the LT infrastructure</li> <li>• Fixed loose service connections for consumer safety</li> <li>• Identification of hazardous locations and ensured safety for customers</li> <li>• Door-to-door visits to consumers' homes to attend grievances, address bill-related complaints, replace defective meters, revamp service connections and issue new connections</li> <li>• Upgrade to load balancing distribution transformers to reduce problems arising due to overloading</li> <li>• 'We Care Sharad Samman 2016 Awards' to top three Durga Pujas in Asansol-Ranigunj area</li> <li>• 24*7 power supply in Kaal Chakra Puja and in the annual event of Pitru Paksh Mela in Gaya; arranged ambulance, mobile charging kiosks, water and tea stalls for the event</li> </ul>	<ul style="list-style-type: none"> <li>• CSR and sustainability initiatives in areas of education, women empowerment, healthcare and community development etc.</li> <li>• Friendly cricket match on Independence Day in Gaya in association with the District Administration Gaya</li> <li>• Partnered with Excellence Enhancement Centre for a workshop on 'Implementation of New Environmental Norms for Thermal Power Generation- Learning from German Experience'</li> <li>• Organised motor-rally in association with Indian Chamber of Commerce (ICC) between India-Myanmar-Thailand region</li> <li>• Cultural programmes like Swara Samrat Festival Season V, Dover Lane Music Conference etc.</li> </ul>
<b>Why we engage</b>	<p>We leverage media from time to time for regular and accurate coverage of our Company's accomplishments. Different modes of media are used judiciously to create the right perception of our Company for all our stakeholders.</p>	
<b>What we are doing</b>	<ul style="list-style-type: none"> <li>• Press releases on important events like our partnerships and acquisitions</li> <li>• Coverage of various CSR initiatives and community work at all locations of India Power</li> <li>• Interviews of top management</li> <li>• Press conferences</li> <li>• Involvement in seminars, conclaves and industry exhibitions</li> </ul>	

# OUR OPERATIONAL EFFICIENCIES



*At India Power, our underlying strategy for every process improvement is to augment operational efficiency and lead the Company to greater heights of success. Integration of technology in generation and distribution portfolios for affordable power will be the key to enjoy customer's confidence, moving forward.*

**With a focus on growing our generation and distribution business, enhancing functional effectiveness has become imperative. In our distribution business, we aim to exploit technology and effortlessly expand our reach to more people.**

We will continue to tap wind and solar energy to generate power, apart from thermal sources. To foster our renewable power portfolio, we have already commissioned a 36 MW solar plant in Uttarakhand. Going forward, we will pursue innovation and technology to reduce our operating costs for the generation business.

## Highlights of functional efficiencies in our distribution network

### Asansol

- Designed the power distribution network for new high tension / low tension (HT/LT) consumers by selecting relevant equipment in Asansol distribution franchisee
- Implemented 100% automatic reading (AMR) implementation for billing accuracy. Continuous monitoring of consumer and feeder wise consumption to arrest losses
- Maintained meter equipment regularly to avoid impact on billings
- Adopted High Voltage Distribution System (HVDS) for power distribution to LT customers
- Purchased energy efficient transformers
- Installed capacitor banks at different substations for improving power factor
- Constructed 16 substations to reduce average length of 11 kV feeders resulting in loss reduction
- Implemented SCADA in substations and downstream feeders
- Introduced groups subsidy tariffs for bulk consumers for availing cheap power
- Equipped 24\*7 call centre with online recharge facilities and via Paytm
- Licensed walk-in customer care centre in for better customer connect
- Established distribution control room at JK Nagar substation

### Gaya

- Undertook residential survey to distinguish between genuine and fraud consumers - included 20,000 consumers who were previously not in the billing net
- Commenced new service connections and meter replacements
- Improved billing efficiency through inducting professional vendors into the system
- Installed meters and billing for many governmental establishments
- Enclosed boundaries of distribution franchisee area with fences, resulting in saving 1-1.5 MU per month
- Installed 1400 smart meters in Gaya. Bodhgaya and Manpur

## STRENGTHENING OPERATIONAL EFFICACIES



- India Power Green Utility Private Limited (IPGUPL) acquired 36 MWp solar green project, located at three villages of Udham Singh Nagar District in Uttarakhand from Punj Lloyd Infrastructure Limited
- Acquisition of Meenakshi Energy Limited on 30th September, 2016
- Boiler light up for 1st unit at Haldia power plant
- Established 1400 smart meters in Gaya distribution franchisee
- Lowered T&D losses to less than 3% in Asansol Distribution Licensee
- Reduction of T&D loss from 70% to 49% in Bodhgaya Distribution Franchisee

# OVERVIEW OF OUR PLANT LOCATIONS

## Gaya

The sole objective of a Distribution Franchisee (DF) mode of business is to reduce Aggregate Technical and Commercial (AT&C) losses in the system; and bring in operational efficiency in the network. In Gaya, the DF has significantly reduced the AT&C losses and improved the billing and realisation from consumers.

### HIGHLIGHTS OF GAYA FRANCHISE OPERATIONS:

- Taken over operations since 1st June, 2014
- Distribution Franchisee of Gaya town and adjoining area of approximately 1,630 sq. kms. from South Bihar Power Distribution Company Limited (SBPDCL)
- To procure power from DISCOM at agreed 'Input Rate' and supply power to consumers at tariff fixed by the state Electricity Regulatory Commission (ERC) 'Regulated Tariff'

### AMBIT OF GAYA OPERATIONS INCLUDE:

- Loss reduction
- Input energy management
- Raising pure sale growth and bringing meter reading clarity of the existing consumer base
- Reliability and quality of electricity supply of IPCL's operational area
- Improvement of customer services
- Area based end-to-end Dynamic Transformer Rating (DTR) cleaning
- Enhanced vigilance
- Replacing EM meters with specified service cables
- Special focus on maximum normal meter reading to increase correct consumption registration

### Key statistics as on 31st March 2017

<b>No. of consumers</b>	1,81,652
<b>Connected load</b>	240 MW
<b>Input energy (Annual)</b>	685 million units
<b>T&amp;D losses</b>	49%
<b>Collection efficiency</b>	86%



## 49%

Transmission and Distribution (T&D) losses, currently; targeting reduction by 15%

- Planned roadmap for prompt response to on/off supply complaints
- Daily area-wise special arrear liquidation camps to increase touch points
- Provide neural on DTR for improved quality of supply
- Special maintenance of MVAC/ HVACC networks to minimise breakdowns and accidents



## CUSTOMER SPEAK

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*India Power took over Gaya's power distribution in June 2014. since then, we have witnessed miraculous change in the town's power supply. Earlier, Gaya town and its adjoining areas received at most five to seven hours of power supply a day, over and above power failures that lasted for days. With IPCL in charge of the town's power supply, things have changed. We now have 24 hours power supply and the Company manages break-downs quickly, which have reduced considerably owing to the India Power's vigilance in maintenance. People in Gaya, Bodhgaya, Manpur and their adjoining areas now see the government's vision of 'Power to All' coming true.*

*A big 'Thank You' to India Power and its whole team.*

**Muneshwar Singh, Vice President**

*Dist.: 20 Point Programme, Kriya Unyan Samity, Gaya*

99

*India Power has made the summers bearable in Bihar's Magadh district, especially in Gaya in the last three years. With uninterrupted 24x7 power supply, we can now use air conditioners. For a region that faced power crunch throughout the year, India Power has been the game changer with the wonderful work it is doing here.*

**Dr. Farasat Hussain, Chief Orthopaedic Surgeon**

*Lifeline Nursing Home, Gaya*

## Asansol

**In West Bengal's Asansol, we are the only private sector distribution licensee in the area. Other distribution companies are Damodar Valley Corporation (DVC, a Central government PSU) and West Bengal State Electricity Distribution Company Limited (WBSEDCL, a State government PSU). IPCL is responsible for distributing power across 618 square kilometres in Asansol-Durgapur-Ranigunj area in Burdwan district of West Bengal. During FY 2016-17, our Asansol unit had to face a series of challenges; however, we emerged victorious.**



In FY 2016-17, several consumers demanded a tariff reduction to the levels of our competitors. To resolve their need, we linked our network to the national grid and thus, commissioned the JK Nagar substation. Moreover, we procured open-access power from Indian Energy Exchange (IEX) for onward distribution to our license area. We aim to supply power 24x7 to our valuable consumers at affordable rates through the new grid. For optimal utilisation of input power and distribution, a single window was created to control the entire operation. The features of the Distribution Control Room are:

- Control and centralise operations from a single window and maintain proper documentation of outages - this would aid in root cause analysis of faults and enable us to take remedial measures
- Ensure safety of operations
- Reduce duration of outages due to single-window communication
- Provide customers with accurate estimated restoration period
- Improve service reliability by tracking all customers affected by an outage, determining electrical configurations of every device on every feeder and compiling details about each restoration process

**ROAD AHEAD**

- Turn and key basis DTRs cleaning on selected areas prone to loss supply of IPCL's operational area
- Introduction of round the clock special theft control surveillance mobile teams



**4 Lac**

Units procured on an everyday basis through IEX.

**CUSTOMER SPEAK**

99

*At Top-Tech Cement, we migrated from the state utility provider to IPCL's services. We are immensely satisfied with India Power's uninterrupted services that help us consistently maintain production levels. We specially thank Malay Mukherjee and Soumen Acharjee for cooperating with us in times of crisis. We are glad of our choice and hope to receive this level of commitment towards uninterrupted services in the future too.*

**Md. Imran, Owner**  
Top-Tech Cement, Asansol

99

*At Balkrishna Minerals, Laxmanpur, we have transferred from a state utility network to IPCL at a load of 170 KVA at 11 kV voltage level. It was a superb decision. After the shift, we are now enjoying stable power supply (good voltage level, rated frequency and so on), less interruptions along with prompt services. In fact, our production level has increased due to better infrastructure facility provided by IPCL. We are satisfied with the supply and services rendered by India Power.*

**Mahindra Kr. Agarwala, Partner**  
Balkrishna Minerals

## Haldia

**We are establishing a 450 MW port based thermal power plant in Haldia, West Bengal. The required coal will be sourced partly from our domestic mines and the rest will be imported from Indonesia**

We believe that maintaining a compliant environment of safety, health and environment is the first requirement to be fulfilled in a project as well as during its commission and operation. Adequate precautionary measures are undertaken especially during construction of power projects in order to avoid accidents. We have achieved more than 5 million safe man-hours in this project till date and conducted training programmes regarding safety



## Outlook

<p><b>Distribution business – Low risk regulated returns</b></p>	<ul style="list-style-type: none"> <li>• Regulated assets provide downside protection to returns (variable costs are pass through and 16.5% ROE is guaranteed)</li> <li>• Upside originating from operational efficiencies (cutting AT&amp;C losses and lower working capital requirement)</li> <li>• Currently, generating more than 20% ROE on Asansol distribution license due to operational efficiencies</li> </ul>
<p><b>Current CAPEX on expansion</b></p>	<ul style="list-style-type: none"> <li>• Current CAPEX being undertaken to grow distribution in and around the licensed area</li> <li>• Operational assets in distribution sector are difficult to replicate and hence, has significant barrier to entry</li> <li>• Scaling of power generation capacity to support the growth in distribution</li> </ul>
<p><b>Future growth through focus on distribution franchisee and licensee opportunities</b></p>	<ul style="list-style-type: none"> <li>• Over 9 decades of expertise in managing power distribution business</li> <li>• Qualified in both the experience and technical aspects of business</li> <li>• One of the few utilities bidding for distribution franchisee model providing scope for expansion</li> <li>• Focus on parallel license opportunities</li> </ul>

## Wind power



State	Project capacity	Commission date	PPA term
Gujarat	29.8 MW	March 2007	20 years – executed with Gujarat Urja Vikas Nigam Limited
Maharashtra	5 MW	September 2006	13 years – executed with Maharashtra State Electricity Distribution Company Limited
Karnataka	10.4 MW	March 2006	20 years – executed with Bangalore Electric Supply Company Limited
Rajasthan	52.0 MW	March 2012	20 years – executed with Ajmer Vidyut Vitaran Nigam Limited
Rajasthan	8.0 MW	January 2013	25 years – executed with Jaipur Vidyut Vitaran Nigam Limited

## Solar power



Particulars	PL Sunrays Power Limited	PL Solar Renewable Limited	PL Surya Vidyut Limited
Installed Capacity	12 MW DC	12 MW DC	12 MW DC
Installed at	Kuankhera village, Rudrapur Dist.	Sarovar Nagar village, Rudrapur Dist.	Dhanpur Vijaypur village, Rudrapur Dist.
COD	22nd March, 2017	22nd March, 2017	31st March, 2017
Tariff	₹ 5.99/KWh	₹ 5.84/KWh	₹ 5.64/KWh
PPA	25 years with Uttar Pradesh Power Corporation Limited	25 years with Uttar Pradesh Power Corporation Limited	25 years with Uttar Pradesh Power Corporation Limited

### Seebpore

We entered into an agreement with West Bengal Green Energy Development Corp Ltd. in 2008, to set up a Photo Voltaic Solar Power Plant at Seebpore. Located in Jamuria area of West Bengal, the plant has an annual capacity of 2 MW. It has reduced 0.7 metric tons of CO<sub>2</sub> emission per day.

#### THE PROJECT HAS MANY FEATHERS TO ITS CAP:

- First in India to cross the Megawatts threshold
- First grid connected solar power plant in India
- First significant climate responsive project in South Asia

### Uttarakhand

We, through India Power Green Utility Private Limited (IPGUPL) entered into an agreement with Punj Lloyd Infrastructure Limited (PLIL) to co-develop 36 MWp Solar Power Plant at Uttarakhand which was commissioned on 22nd March and 31st March 2017 respectively. We are focused on developing and acquiring green assets to build a substantial portfolio of green energy.

# OUR PEOPLE – OUR GREATEST TREASURE



*At India Power, we consistently strive to improve the productivity of the employees by providing all necessary support and addressing their concerns and issues. We provide congenial work environment and equal opportunities to all. We nurture our talents by organising skill enhancement and learning and development programmes through which employees get the opportunities to grow within the Company. We also organise employee engagement initiatives to enhance employee loyalty and retention.*

## LEARNING AND DEVELOPMENT

- A training programme was conducted in house at Gaya on loss reduction by theft detection and control and substation maintenance
- A training programme on regulatory aspects of the power industry was conducted for all Asansol employees
- A session on 'The Essentials of Business Etiquette' was organised for corporate executives
- A training programme on 'creativity and problem solving' was held for the employees of Gaya office
- Employees of SAP department participated in the SAP league and won third prize
- Other training programmes attended by employees were as under:
  - Law Assemble India Summit
  - Corporate Grievance Business Ethics and Competition Law
  - EPFO initiative training
  - 10th Renewable Energy Expo and conference
  - Attitude building and personal effectiveness programme
  - Finance for managing business
  - Seminar on arbitration
  - Conference on Energy needs in Indian Railways
  - Industrial safety
  - Conference on Road ahead for Indian power sector
  - Customer Relationship Management and Achievement Motivation session was conducted for Gaya employees
  - Seminar on forensic Accounting and fraud prevention
  - Advanced Excel, Power Point, E-mail Etiquettes training was held at head office

## FUN AT WORK

- Celebrated Bengali New Year's Day 'Poila Boisakh' with quiz on the theme
- Organised corporate theatre, a unique training programme for the leadership team to encourage team work, trust, collaboration for all employees
- Celebrated the 97th birthday of the Company with cake cutting ceremony and a musical event
- Commemorated Independence Day with flag hoisting at all India Power locations
- Observed Engineer's Day by applauding all our engineers to honour sir Mokshagundam Visvesvaraya's birthday
- Organised day long annual sports meet cum picnic for employees of Bodhgaya
- Celebrated Diwali with Rangoli competition and Diya painting
- Organised 'Secret Santa', an employee engagement event in office premises to celebrate Christmas
- Organised 'Pithe Utsav' on Makar Sankranti and commemorated Netaji Birthday
- Celebrated World Environment Day by planting saplings at all locations; screened a film on the occasion
- Celebrated employees' birthday on a monthly basis with cake cutting
- Celebrated Women's Day programme in presence of NGO with products made by orphans

## OTHERS

### Internal Complaints Committee

- Maintaining an Internal Complaints Committee to address complaints of sexual harassment at the workplace; to raise awareness, displayed posters regarding the issue at all our office locations
- Organised a day-long workshop at the head office on prevention of sexual harassment at the workplace (POSH)

### Quarterly newsletter

- Published and circulated in-house quarterly newsletter that captures all significant events of the Company within our offices; it acts as an important mode of information dissemination
- Featured employee contributions (travel photographs and articles)
- Applauded the Gaya team in the July, 2016 edition for their efforts to handle hailstorm at Gaya and Manpur areas – all breakdowns in the affected areas were addressed within 24 to 48 hours of the impact
- Acted as an information guide for all the employees and other stakeholders about the events in the Company

# CARING for our COMMUNITIES





*We believe that the society is an extension of the individual; therefore, corporate responsibility is an integral part of India Power. Our corporate responsibility supports the communities and locations where we operate and other need based areas to help create a better future.*

In the last few years, the meaning of corporate social responsibility (CSR) has taken a new direction. Organisations are steering towards creating a sustainable business based on economic, environmental, social and governance factors that positively impact the communities around them.

Data is collected and analysed to improve an organisation's commitment to sustainable development. Organisations now have a triple bottom line approach: Profit, Planet and People. Collectively, these three components act as a fulcrum of social responsibility policy.

During FY-2016-17, our CSR initiatives were focused on education, healthcare, women empowerment and community development. We have launched our CSR book named 'Saathi', wherein we curate all our CSR activities and publish for the interest of all our stakeholders.

## PLEDGE TOWARDS BETTER INDIA

India Power is a responsible organisation and it respects the interests of its stakeholders - shareholders, customers, employees and community. We are determined to make a difference by contributing towards protecting the environment and the community at large. We are conscious about our social accountability and regard for human dignity.

## Education



MEL team with the Zilla Parishad High School students

- Provided books and computers to support Mother Teresa Academy in Asansol – subsequently, two schools, St. Mathews School in Ukhra town and St. Anthony School, Asansol have come forward to support the Academy; they will admit students from the Academy on priority
- Contributed school furniture and computers to village schools of Purba Medinipur
- Organised an awareness campaign on usage and saving electricity in Burnpur Riverside School, DAV Model School, Eastern Railway School and Asansol Ramakrishna
- Mission School, DPS School and Creane Memorial School of Gaya and Asansol
- Provided support to Suryodaya School dedicated for providing free education, free midday meals, subsidised uniforms, shoes and books to the children in need
- Helped open branches of Srihari Global School in association with SREI foundation; the first school in Shrishtinagar, Asansol and other branches are to start in Ranigunj and Guwahati
- Bestowed scholarships to SD Girls High School, AC Institution and Sanctoria High School in the Dishergarh region
- Awarded merit cum means scholarship to 18 students of Zilla Parishad High School in Varagali, Chillakur Mandal by Meenkashi Energy Limited

## Women empowerment



Beneficiaries of SRREOSHI with the knitting machines

- Partnered with SRREOSHI (Society for Research and Rudimentary Education on Social and Health Issues) to carry out capacity-building and life-management training activities in Asansol-Ranigunj region; it conducts intervention programmes with adolescent girls in backward communities to increase awareness on violence against women and gender discrimination
- Organised vocational tailoring training for twenty marginalised women from Ranigunj College slum area in partnership with SRREOSHI
- Conducted a life skill training programme for women of Kendua village in Manpur area in Gaya in association with Roji Roti Sansthan in Bihar
- IPCL associated itself with Acid Survivors Foundation India and marked strong support to the victims

### DEFINING PURPOSE OF LIFE

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*Kusum Bauri, a fourteen-year-old student of Class VIII in Jamunamoy School, Ranigunj found her purpose in life with SRREOSHI's programme. Kusum's parents are employed as domestic help, while her brother is a mason. Kusum is a bright child looking towards academic excellence and simultaneously, receive vocational training in tailoring and other life skills. She is keen to attain economic independence in the future; and attended our life skills training programmes with this objective. The sessions with us have enlightened her, giving direction to her life. Today, Kusum is aware of her sexual and reproductive health and set to carve a career in future.*

**Kusum Bauri, Class VIII Student**  
Jamunamoy School, Ranigunj, West Bengal

## Healthcare

- Provided medical assistance for the Leprosy Community Development Programme in the areas of Kankardanga, Luchipur, Barakar and Jamuria colonies in association with an NGO called Ujjiban03
- Encouraged employee participation in the Mission Smile camp for cleft surgeries – Mission Smile is known for organising surgeries for children with cleft lip, cleft palate and other facial deformities; moreover, we organised a three-day Daan Utsav to raise funds for Mission Smile by placing donation box at our office premises
- Initiated an awareness sessions for the villages around Haldia town – the programmes was held at Kismat Shibrannagar, Kalyan Sangha and Pathagar, Purva Pally, Devog Gram Panchayat, Purba Medinipur
- Organised a health camp on skin disease in Haldia to improve the area's standard of living

## Community development



Provided books to the Bhagat Singh Library



Mission Nirmal Bangla at Jamuria Village

- Provided office furniture, computers, books and a water purifier to the Bhagat Singh Library, Burnpur
- Distributed 200 high-quality fruit trees to hundred farmers in Kismat Sibranagar (West) Haldia; helped conduct an informative session between the farmers and the NGO Samikshon
- Built 10 toilets in SANSAD Number Debhog in Kismat Shibramnagar as a part of the Swachh Bharat Mission drive
- Partnered with Mission Nirmal Bangla to construct 19 toilets for Jamuria villages of Beralala, Benali, Balanpur, Ikhra, Topsi, Kunustoria, Satgram, Mithapur, Dhandadihi, Bansra, Sonachora, Parasia, Nabagram, Siduli and Mukundapur
- Installed water coolers near Vishnupad Mandir and BTMC offices in Bodhgaya to provide respite in summers for devotees
- Installed mobile charging kiosks in high footfall areas of Asansol
- around certain malls, movie halls, nursing homes and the Commisionerate Office
- Organised the 'Saawan Aaya Hai' festival programme at Ranigunj in association with Sports Assembly
- Completed the first phase of 'The Rehabilitation and Development Programmes of Leprosy Affected Communities' - the programme covered leprosy colonies of Jamuria, Luchipur, Barakar and Kankardanga; other medical issues like gastroenterology,



Mr. Raghav Kanoria on a plantation drive



Distributed water bottles and food packets to the flood victims in Gaya



Providing drinking water facility to Vishnupad temple

- malnutrition and gynaecological problem and symptoms of dengue, malaria and filariasis were also addressed
- Distributed packets of biscuits and one litre water bottle for every flood affected home in Gaya
- Assisted in waste disposal in the Pitru Paksh Mela ground before the festival began; our Gaya employees helped to make it a successful waste disposal mission
- Initiated a sanitation programme by constructing three toilets in Gaya's only Urdu medium Girls High School for 300 students
- Restored an old temple of Kismat Shibramnagar in Haldia
- Initiated a sapling plantation drive in Gujarat's Wind Power Project areas
- Partnered with Bodhgaya Police to contribute an air conditioner and furniture to the new Bodhgaya Tourist Information Centre near the Mahabodhi Temple
- Associated with ASFI, an NGO that deals with acid attack victims, providing them medical, legal and administrative assistance
- Distributed clothes to the needy of Dishergarh through an NGO – Namo Saltore Vivekananda Bidya Ashrama
- Arranged prompt bus service to transport villagers from the Vardah storm – teams of
- Meenakshi Energy Limited (MEL) helped evacuate people from low-lying areas of Tallabaita, Pallevani Dibba, Gonagunta and Teegapalem; organised an earthmover (JCB) to clear waterlogging in these areas
- Partnered with Axis Bank to organise liquid cash distribution in the villages at Thamminapatnam, Chillakurmandal in SPSR Nellore district – MEL helped dispense cash to more than 300 customers
- Provided three ready-to-operate Reverse Osmosis (RO) plants to MEL's neighbouring villages to solve potable water issues – MEL helped this cause

# INDIA POWER IN LIMELIGHT

The Hindu Business Line - 2.09.16

## IPCL, Uniper venture to offer specialised services for power plants

**OUR BUREAU**  
New Delhi (Business Line) India Power Corporation Ltd (IPCL), promoted by the Kanoria Foundation, announced on Thursday that it has formed a joint venture with Germany-based Uniper for offering a broad range of services for helping power plants improve their efficiency.

Both companies will have equal equity stake in the newly formed joint venture company India Uniper Power Services.

"Whenever there are operating assets operating at low plant load factors (PLF), we see an opportunity to help them improve their PLF. Secondly, there are lots of first-time power plant operators, so we will be in a position to help them improve their operational efficiencies," said Hemant Kanoria, Chairman, IPCL, and also Chairman and Managing Director of SBI Infrastructure Finance Ltd.

Kanoria made it clear that India Uniper Power Services will not go in for acquisition of assets or setting up any power plants. "This joint venture will be offering only specialised services. We already acquire power plants and set up new plants through IPCL, while SBI Infrastructure Finance is engaged in the activity of financing such plants," he said.

Klaus Schaller, Chief Executive Officer, Uniper, said that the aim of the joint venture is to offer intellectual capital rather than financial capital. "It is true that for some of the really old power plants it does not make sense to upgrade, but for plants which are 25 years old, upgrades can help bring about efficiencies which ultimately also help meet environment concerns," he said.

Both the joint venture partners said that they are entering into a new business segment in India. While they did not reveal the potential business size, Kanoria said that India Uniper Power Services aims to offer scalable solutions.

Business Standard - 21.03.2016 page - 05

## IPC eyes acquisitions to step up capacity

**OUR BUREAU**  
New Delhi (Business Standard) India Power Corporation Ltd (IPCL) is looking to acquire power plants to step up its capacity, a senior executive of the company said on Wednesday.

The company, which is a joint venture of SBI Infrastructure Finance Ltd and Kanoria Foundation, has been in the business of acquiring power plants and setting up new ones since its inception in 2012.

"We are looking to acquire power plants to step up our capacity," said a senior executive of IPCL, who did not disclose the details of the acquisitions.

The company has already acquired several power plants in different parts of the country. It has also set up new power plants in various states.

The executive said that the company is looking to acquire power plants with a capacity of 100 MW or more. He also said that the company is looking to acquire power plants in different parts of the country.

The Telegraph - 17.11.16

## India Power plan to energise Bengal

SAMBIT SAHA



Hemant Kanoria in Calcutta on Wednesday.

Calcutta, Nov. 16: India Power Company Ltd (IPCL) has approached the Bengal power regulator for a parallel licence to distribute electricity in East Midnapur district.

The proposal, yet to receive a green light from the regulator, comes ahead of the commercial launch of the 150-mega-watt (MW) plant at Haldia next month.

IPCL, promoted by Kanoria Foundation, is also trying to revive a power purchase agreement with a Bengal government-owned distribution company before lighting up the plant. The company is setting up a 400MW plant in three modules of 130MW each at an investment of Rs 3,500 crore. The second unit is scheduled to start production by March and the last one by the end of 2017.

The West Bengal State Electricity Regulatory Commission has held a public hearing on the plea of a parallel licence for East Midnapur district that includes port-town Haldia, the industrial hotspot of Bengal.

"We have approached the regulator and the state government. IPCL's proposals are under active consideration," IPCL chairman Hemant Kanoria said.

If the state electricity regulatory commission allows the new entrant to distribute power, it will pose serious competition to state-owned West Bengal State Electricity

Distribution Co Ltd, which serves the industrial consumers in Haldia. Though the electricity act allows multiple players distributing in the same area, there are no such instances in Bengal.

The power purchase agreement is also in a pickle as the pact was annulled when the state government cancelled several such contracts in 2014 citing a delay in execution. Besides IPCL, a pact with JSW Universal Success and many others were cancelled.

"Our case is a little different. The project has now come up. There was a delay in execution but unlike others, IPCL's plant is ready to be commissioned," Kanoria explained.

**Meenakshi plant**  
IPCL has announced the completion of the acquisition of the 1,100MW Meenakshi Energy from French major Engie.

It has acquired the company with Rs 2,300 crore of debt and Rs 1,000 crore cash on the books. The Rs 3,300 crore equity was taken over for \$1.

Mint - 17.11.16

## India Power completes acquisition of Meenakshi Energy's plant in AP

BY AMBER PAUL  
am.p@mint.com

India Power Corp. Ltd, a first group company, on Wednesday said it has completed the purchase of Meenakshi Energy Pvt. Ltd, a 1,100 megawatt (MW) power plant at Nellore in Andhra Pradesh.

The company bought the plant from Engie Group of France for \$1. The deal was agreed in late February, said India Power chairman Hemant Kanoria. The first group, which invested in the infrastructure finance business, took over the erstwhile DPSC Ltd from state-owned

team headed by Kanoria's son, Raghuvar Raj Kanoria, a director, in a joint venture with local lenders.

India Power is set to commission the first unit of its 400 MW power plant in Haldia in West Bengal. The plant will start generating 650 MW from the end of December, the chairman said. This unit too will be run on imported coal.

Both the plants will be managed by India Power's 50:50 joint venture with Germany's Uniper Kraftwerke GmbH, which was launched two months ago. The joint venture will provide the technology for improving operational efficiency at Indian thermal power plants. India Power is also looking to expand its distribution business and has applied for more licences in West Bengal's East Midnapur district and Orissa in Haryana, Kanoria said. It currently supplies power to some parts of West Bengal and Bihar.

Morning India - 14.02.2017

## India Power Corporation introduces distribution control room at J.K. Nagar

**KOLKATA** : In recent years, the utilization of electrical energy has increased exponentially, and customer requirements and quality definitions of power have changed enormously. As electricity became an essential part of daily life, its optimal usage and reliability also became important. Real-time network view and dynamic decisions have become instrumental for optimising resources and managing demands, thus making a distribution management system which can handle proper work flows a critical necessity.



In line with these requirements, India Power Corporation Limited ("India Power"), has introduced our Central Power Distribution Control Room at the J.K Nagar 220 kV Substation, which handles more than 80% of total power procurement at present. To monitor and properly utilise input power as well as distribution, it is essential to control the whole operation from a single window. As per projections of power distribution, the entire operation is going to operate from this point, and this control room is a solid first step towards that eventuality.

The salient features of the Distribution Control Room are that it will help in control and centralise operations from a single window and maintain proper documentation of outages, which in turn help us analyse faults, their causes and their remedies. It will also help to properly monitor all operations, which in turn will increase safety. It will reduce the duration of outages due to single-window communication. It will provide customers with more accurate estimated restoration times. It will improve service reliability by tracking all customers affected by an outage, determining electrical configurations of every device on every feeder, and compiling details about each restoration process.

The Hindu Business Line - 16.05.2016 Page - 14

## India Power posts ₹586-cr revenue

OUR BUREAU  
Kolkata, May 15

India Power Corporation Ltd (IPCL), a power utility company, has reported gross revenue for 2015-16 at ₹586 crore against ₹618 crore in the previous fiscal. Its PBT improved to ₹43.54 crore during FY 15-16 against last year's PBT of ₹36.60 crore. The board recommended a dividend of 5 per cent.

Hemant Kanoria, Chairman, IPCL, said, "Due to continuous im-

provement in our network, we have achieved T&D losses of 2.31 per cent, far lower compared to industry average of around 25 per cent. We are now focusing on growth and backward integration."

It commissioned 220/33 kV substation at J.K. Nagar in the Asansol subdivision of West Bengal in November last year connecting IPCL to the national grid and flexibility to source power.

THE TELEGRAPH, 10/8/16

# Smart meter in Gaya

**BIHAR'S FIRST SMART POWER METER** was installed at the house of Gaya resident Kumar Kamish, on Tuesday as the drive started from the town's Shivpuri Colony and Alligan localities.

India Power Corporation (Ipsco) has started installing the new smart meters.

Assistant general manager (public relations and administration) of the private firm, Raksh Ranjan, said the smart meters are consumer friendly. "We have requisitioned for 10,000 such smart meters and these would be installed in different localities of Gaya town," said Ranjan. "Our priority is to replace the old mechanical meters with these on priority basis. At present there are around 38,000 old meters installed in the houses of consumers in Gaya."

The smart meters provides consumers different facilities such as automated meter reading, six month data storage, online fault detection in distribution line, location and quantity of power theft among others.

The first consumer of the smart meter — Shivpuri Colony resident Kumar Kamish said: "The company told us about benefits of the smart meters. If the family goes somewhere outside and the house is locked, the consumer will have to inform the company offline. During this period, meter will not show any reading and if some one uses or steals power, the company will get a report and take action immediately."

"We had a mechanical meter at home and later replaced it with a digital one. Now India Power has installed a smart meter. In the digital meter there were complaints of excess reading but that was sorted out. Only time will tell the performance of these smart meters, added Kamish.

Hindustan Times - 24.09.2016

## India Power inks pact with US agency

**KOLKATA:** India Power has entered into a partnership with the US Trade & Development Agency for a project to implement smart grid technology on India power's distribution network - particularly to its Gaya Franchise in the state of Bihar - boosting efficiency and reliability while minimising wastage. A smart grid is commonly characterised by the application of digital processing and communications to centralise data flow and information management.

**महिलाओं की समृद्धि से विकसित होगा समाज**

एन सी ई सी के प्रमुख अधिकारी महिलाओं को शिक्षित करने के लिए एक कार्यक्रम में भाग लेते हैं।



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DAINIK JAGRAN, 1/4/16



डीपीएस स्कूल के बच्चे कार्यक्रम में भाग लेते

## बिजली की उपयोग व बचत की दी गई जानकारी

संवाद साधुगंजी (गया नगर) : इंडिया पावर की ओर से गुरुवार को डीपीएम पब्लिक स्कूल में एक कार्यक्रम आयोजित कर बिजली के उपयोग बचत की जानकारी दी गई। मौके पर इंडिया डीपीएम प्रोड्यूसर केमरा रंजन ने बिजली के उपयोग पर बेहतर विडियो प्रेजेंटेशन का प्रदर्शन कर बच्चों को बिजली के उपयोग के बारे में जानकारी दी। कार्यक्रम के अंत में बच्चों को क्विज प्रश्नोत्तर का आयोजन किया गया।

Coalfield Times - 29.08.2016

# আগামী মার্চের মধ্যেই রাজ্যের বিদ্যুদয়ন ১০০ শতাংশে পৌঁছবে

বিদ্যুৎ সরবরাহের ক্ষেত্রে রাজ্যের উন্নয়নের জন্য সরকারের উচ্চাঙ্গ প্রচেষ্টা রয়েছে। আগামী মার্চের মধ্যেই রাজ্যের বিদ্যুৎ সরবরাহ ১০০ শতাংশে পৌঁছবে।

বিদ্যুৎ সরবরাহের ক্ষেত্রে রাজ্যের উন্নয়নের জন্য সরকারের উচ্চাঙ্গ প্রচেষ্টা রয়েছে। আগামী মার্চের মধ্যেই রাজ্যের বিদ্যুৎ সরবরাহ ১০০ শতাংশে পৌঁছবে।



## বিদ্যুৎ পরিবহণে ইন্ডিয়া পাওয়ার দিশা দেখাচ্ছে

বিদ্যুৎ পরিবহণের ক্ষেত্রে ইন্ডিয়া পাওয়ার দিশা দেখাচ্ছে।

RASTRIYA SAHARA, 11/8/16

## बच्चे को बिजली बचत की दी जानकारी

गया। इंडिया पावर द्वारा विद्यालय के बच्चों को बिजली के बचत और उसके सुरक्षित उपयोग की जानकारी दी गयी।

क्रेन मेमोरियल स्कूल में बच्चों को प्रोजेक्टर के माध्यम से प्रदर्शित कर बिजली के बचत और उसके सुरक्षित उपयोग की जानकारी दी गयी। बिजली बचाव है, कैसे बनाता है, कैसे इसका प्रयोग सुरक्षित तरीके से कर सकते हैं इन सभी बातों की जानकारी कंपनी के डीपीएम पीआर बोनिया चौर और एजीएम राकेश रंजन द्वारा दी गयी। मौके पर क्रेन मेमोरियल के प्राचार्य सहित विद्यालय के शिक्षक उपस्थित थे।

**Pyush Goyal Office**  
13 Aug at 13:25

Bihar's first smart meter installed in Gaya. 10000 more to be installed in 2 months  
<http://energy.economicstimes.indiatimes.com/news/power/bihars-first-smart-electric-meter-installed-in-gaya/53627304>



The Economic Times - 17.11.16

# India Power Corp Plans to Raise Up to ₹1.5k-cr

**Debjay Sengupta**  
@timesgroup.com

**Kolkata:** India Power Corporation, a Kolkata-based generator and distributor, plans to raise between ₹1,000 crore and ₹1,500 crore through an equity placement to fund future plant acquisitions.

India Power may make an offer for sale of its shares or sell them to qualified institutional investors, senior company officials said on condition of anonymity. The stake sale may take place in the current financial year.

The utility, which recently completed the takeover of a 1,000 MW plant in Andhra Pradesh, is in talks with two companies with projects that are yet to be commissioned. The company said in

February it was buying the majority stake of French utility Engie in Meenakshi Energy owner of the 1,000 MW power plant in Nellore, Andhra Pradesh. India Power bought out ₹3,800 crore of equity for \$1 and took on the acquired entity's debt of ₹2,900 crore.

"This month, India Power completed the acquisition of Meenakshi Power, which has jacked up the enterprise valuation of India Power to ₹15,000 crore from ₹9,000 crore prior to the acquisition. Total debt of the company at present is around ₹6,000 crore," said Hemant Kanoria, chairman of India Power.

According to officials, India Power's higher enterprise value following the acquisition, and an additional distribution licence at Gaya have helped create room for the company to raise capital.

The company now believes acquiring assets may be a better way to expand its portfolio than setting up plants. Part of the Meenakshi plant is already functional.

"A unit of 300 MW at Meenakshi is ready and has started to generate power. This unit has power purchase agreements with Telangana and Andhra Pradesh. By June 2017, the rest of the 700 MW would be ready and we would start generating. Plans include selling power to power exchanges," Kanoria said.

India Power's 450 MW thermal power station at Haldia in West Bengal will also become operational in stages.

# MANAGEMENT DISCUSSION AND ANALYSIS



## INDIAN ECONOMY

In an environment of moderate global economic growth, the Indian economy registered a GDP of 7.1% in 2016-17. India successfully navigated global uncertainties and has emerged as a preferred destination for foreign investors in the last year. The Government of India rolled out several bold reforms to enable the Country reach its true potential resulting in a balanced inflation and an improvement in both its current and fiscal deficits.

The biggest reform in 2016-17 was the announcement of demonetisation of high denomination currency notes by the Government. The decision was aimed at curbing corruption, preventing circulation of counterfeit currencies, terrorist activities and accumulation of black money. The economy was introduced to various long-term benefits like greater

digitisation and formalisation of the economy. The process also galvanised the increase in the flow of financial savings into the banking system. Further, demonetisation is expected to lead to a higher GDP growth in the long run with the vision of better tax compliances and greater tax revenues.

The Government of India also announced the introduction of the Goods and Service Tax (GST) bill which has been implemented on 1st July, 2017. The rollout of GST is intended to streamline the current tax structure and achieve simplification and transparency in indirect tax. It is expected to contribute significantly to the growth of GDP. However, making projections for GST revenue in its first year of its implementation will be a mere speculation. The actual impact of GST is to be analysed after it is completely implemented. Other Government initiatives such as 'Digital

India', 'Skill India' and 'Make in India' are expected to lead India march to a higher GDP growth, greater digitisation and strengthen its manufacturing sector.

Overall India's GDP is expected to reach at 7.4% in 2017-18 as a rebound in consumption demand which had dampened due to demonetisation. A normal monsoon is expected to increase the agricultural income. Softer interest rates driven by Reserve Bank of India will stimulate consumption growth and a benign inflation is anticipated due to the ongoing remonetisation and the trickle-down impact of past policy reforms.

(Source: FICCI survey, January 2017)

### WORLD POWER SECTOR

Global power markets are transforming in favour of a sustainable infrastructure. In November 2016, the Paris Agreement on Climate Change came into force. This was a landmark moment for the international community committed to collectively accelerate the transition to a clean-energy world. Many countries have set forth ambitious plans for their new energy architectures, aiming to take advantage of technological developments and diversify the composition of their supplies to meet their rising energy needs. Countries have increasingly looked to drive security through exploiting indigenous renewable and fossil fuel energy sources. In 2016, the rise of renewables in the electricity sector has been more pronounced since they overtook coal; except for power generation. Access to electricity remains a major challenge for over 17% of the world's population. Either there is no access of electricity or very poor quality of supply. While global investment in renewable energy has risen, investment in developed countries has declined since peaking in 2011. Much work remains to meet the ambitious targets ratified in the Paris Agreement.

Looking ahead to the next five years along with many conflicting scenarios around the demand for energy; the transition to a more sustainable, affordable, secure and inclusive energy system has taken on a pronounced urgency and immediacy. The digitisation of the economy and the energy system will be a boon for energy-sector players to leverage to drive the transition. However, it will also lead to new complexities requiring management; other than the perspective of security. Managing the transition to a new energy architecture is not easy. The imperatives of the energy triangle may reinforce or act in tension with each other, forcing difficult trade-offs to be made.

(Source: World economic outlook- global energy architecture performance index 2017)

### KEY MANDATE FOR GLOBAL POWER COMPANIES

#### Areas of opportunity

- Energy demand
- Penetration of renewable energy
- The degree of commitment to CO2 emissions reduction
- The different costs of fuels and generation mix infrastructure
- To ascertain if coal is an effective cheap solution
- The increase in shale gas production
- Nuclear power upgrading or decommissioning
- Pressures to reduce power prices
- Ancient grid infrastructure and the need to adapt

### INDIAN POWER SECTOR

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). The country's total installed capacity of power stations in India stood at 3,19,606 Megawatt (MW) as of March 31, 2017.

#### Total Installed Capacity as on 31.03.2017

Sector	MW*	% of Total
State Sector	103,967	32.53%
Central Sector	80,257	25.11%
Private Sector	135,382	42.36%
<b>Total</b>	<b>3,19,606</b>	

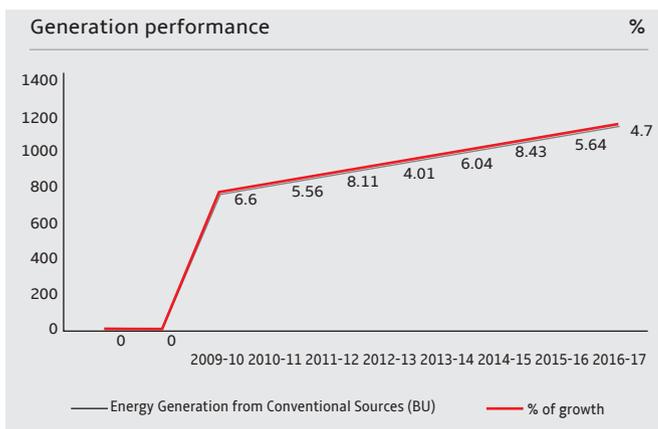
(Source: Government of India, Ministry of Power)

(\*MW – Megawatts)

## GENERATION

The electricity generation target for the year 2016-17 was fixed at 1,178 Billion Unit (BU) comprising of 999.000 BU thermal; 134.000 BU hydro; 40.000 BU nuclear; and 5.000 BU import from Bhutan. However, the actual achieved was 1,159 BU at a growth of 4.7% as compared to 5.64% of 2015-16. The Ministry of Power has set a target of 1,229.4 BU of electricity to be generated in the financial year 2017-18, which is approximately 50 BU's higher than the target for 2016-17. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy. The Government has added 8.5 GW of conventional generation capacity during the period from April 2016 to January 2017. Under the 12th Five Year Plan, the Government has added 93.5GW of power generation capacity, thereby surpassing its target of 88.5GW during the period.

### Generation performance from 2009-2017



\*(Source: Government of India, Ministry of Power. Provisional data upto March, 2017)

\*Energy Generation from Conventional Sources (BU)

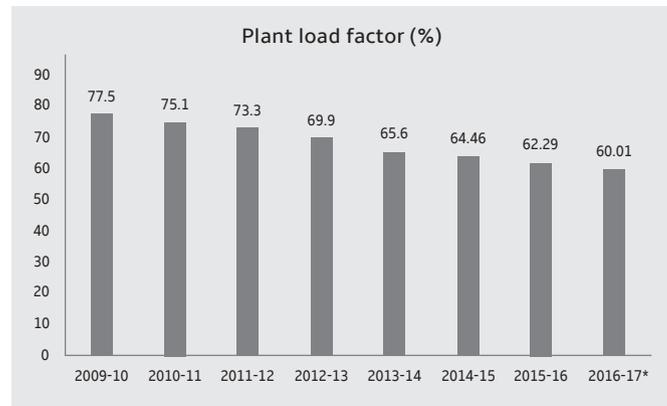
## PLANT LOAD FACTOR (PLF)

The plant load factor is a measure of the output of a power plant compared to the maximum output it could produce. The two common definitions are: the ratio of average load to capacity and the ratio of average load to peak load in a period.

# 0.7%

was the peak deficit in FY 2016-17 in comparison to 2.1% of FY 2015-16

## PLF of India from 2009-10 to 2016-17



\*(Source: Government of India, Ministry of Power. Provisional data upto March, 2017)

## DEMAND-SUPPLY SCENARIO

The peak deficit for India in 2016-17 remarkably reduced to 0.7 from 2.1 of FY 2015-16. This was largely due to rising coal stock availability at majority of the power stations and increase in the installed power capacity. Peak power requirement in FY 2016-17 stood at 159 GW out of which a demand of 157 GW was met. Despite the reduced difference in the power deficit, power supply remains uneven across the country. The challenges faced by the power sector are:

**Fuel security concerns:** Thermal capacity addition is deeply affected by issues around availability of fuel. Coal supplies by Coal India Limited (CIL) are restricted to around 65% of actual coal requirement by coal based thermal plants. This leads to an increased dependence on imported coal and results in high power generation costs.

**Financial health of State DISCOMS:** Politically driven tariff schemes, operational inefficiencies, AT&C losses have adversely impacted the financial health of State DISCOMS as they suffer from very high debts.

**Under-procurement of power by States:** Increase in power generation costs due to limited fuel availability, poor financial health of State DISCOMS, high AT&C losses have contributed in suppressed demand projections by State DISCOMS.

**Detrimental financial environment:** Lending rates have increased significantly from the time of project appraisal resulting in high costs for running the projects and higher tariffs.

**Absence of robust policy:** Policies governing the fuel cost pass-through, bidding guidelines and mega power policy are not in sync with the National Electricity Policy.

**Power supply position of India from 2009-10 to 2016-17**

Year	Energy		Surplus (+)/Deficits (-)	
	Requirement (MU)	Availability (MU)	(MU)	(%)
2009-10	8,30,594.00	7,46,644.00	-83,950.00	-10.1
2010-11	8,61,591.00	7,88,355.00	-73,236.00	-8.5
2011-12	9,37,199.00	8,57,886.00	-79,313.00	-8.5
2012-13	9,95,557.00	9,08,652.00	-86,905.00	-8.7
2013-14	10,02,257.00	9,59,829.00	-42,428.00	-4.2
2014-15	10,68,923.00	10,30,785.00	-38,138.00	-3.6
2015-16	11,14,408.00	10,90,850.00	-23,558.00	-2.1
2016-17	11,42,092.00	11,34,633.00	-7,459.00	-0.7

(Source: Government of India, Ministry of Power. Provisional data upto March, 2017)

**TRANSMISSION**

Electricity sector in India is growing at rapid pace. During the year 2016-17, the peak demand was about 159 GW and the Installed Capacity was 319.6 GW with generation mix of Thermal (68.3%), Hydro (13.9%), Renewable (15.6%) and Nuclear (2.1%). 26,300 circuit kilometres (ckm) of transmission lines have been commissioned during the year 2016-17. This is 112.5% of the annual target of 23,384

Government of India provides assistance to states through various Central Sector/centrally sponsored schemes for improving the distribution sector. They are:

Integrated Power Development Scheme (IPDS)	Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	National Electricity Fund (NEF)
<ul style="list-style-type: none"> <li>Scheme approved on 20th November 2014 with total outlay of ₹ 32,612 crore. GOI's budgetary support is ₹ 25,354 crore</li> <li>Strengthen sub-transmission and distribution networks in the urban areas</li> <li>Metering of distribution transformers / feeders / consumers in the urban area</li> <li>IT enablement of distribution sector and strengthening of distribution network</li> </ul>	<ul style="list-style-type: none"> <li>Scheme approved on 20th November 2014 with total outlay of ₹ 44,033 crore. GOI's budgetary support is ₹ 33,453 crore</li> <li>Separation of agriculture and non-agriculture feeders</li> <li>Strengthen sub-transmission and distribution networks in the rural areas</li> <li>Metering of distribution transformers/feeders/consumers in the rural area</li> <li>Rural Electrification</li> </ul>	<ul style="list-style-type: none"> <li>Provide interest subsidy on loans disbursed to the Distribution Companies (DISCOMS) – both in public and private sector</li> <li>Improve the distribution network for areas not covered by RGGVY and Accelerated Power Development and Reforms Programme (R-APDRP) project areas</li> <li>Improve the distribution network for areas not covered by RGGVY and Accelerated Power Development and Reforms Programme (R-APDRP) project areas</li> </ul>

(Source: Government of India, Ministry of Power)

**FINANCIAL RESTRUCTURING SCHEME**

The Government of India launched the Ujwal DISCOM Assurance Yojana (UDAY) which was approved on 5th November 2015. The objectives of the scheme were:

- Financial turnaround
- Operational improvement

ckm fixed for 2016-17. Similarly, the overall increase in the transformation capacity has been 81,816 MVA during the year 2016-17 which constitutes 181.1% of the target of 45,188 MVA fixed for 2016-17. Growth of 30.2% of transformation capacity has been observed during the year 2016-17 over the achievement of 62,849 MVA during 2015-16.

The capacity of transmission system of 220 kV and above voltage levels, in the country as on 31st March 17 was 3,67,851 ckm of transmission lines and 7,40,765 MVA of transformation capacity of substations. As on 31st March 17, the total transmission capacity of the Inter-Regional Links was 75,050 MW.

(Source: Government of India, Ministry of Power)

**DISTRIBUTION**

Distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. Under the Indian Constitution, power is a concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states.

- Reduction of cost of generation of power
- Development of renewable energy
- Energy efficiency and conservation

The scheme allows the state governments to take over 75% debt of their respective state distribution companies (DISCOMS) and pay back lenders by selling bonds. The

remaining 25 per cent of the debt would be paid by bonds issued by DISCOMS. Through this scheme, the Government hopes to make DISCOMS financially and operationally sound entities. It targets to improve the plant load factor of generating plants, thereby reducing the stress on assets. The ultimate goal of the scheme is to provide 24\*7 power for all at an affordable price.

### RENEWABLE ENERGY

India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index (EAPI), on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner. The Ministry of New and Renewable Energy (MNRE) has signed an agreement with Germany-based Development Bank to fund the ₹ 300 crore (USD 45 million) floating solar project in Maharashtra and Kerala. It is expected to generate over 310 gigawatts of green energy. The Ministry of New and Renewable Energy (MNRE) plans to launch an integrated bio energy mission with an investment of ₹ 10,000 crore (USD 1.5 billion) from FY 2017-18 to FY 2021-22. This is aimed at enhancing the use of bio-fuels like ethanol and biogas and reducing consumption of fossil fuels.

### GOVERNMENT INITIATIVES

- Introduction of a fixed-cost component to the tariff for electricity generated from renewable energy sources like solar or wind
- Rationalise various categories of electricity consumers across states. This move is expected to bring transparency and efficiency in billing, improve tariff collection and improve the health of distribution companies in the country
- Launch of the new app and web portal called - Tarang (Transmission App for Real Time Monitoring & Growth) mobile app and web portal for electronic bidding for transmission projects
- Install as many as 10,000 solar, wind and biomass power projects in next five years, with an average capacity of 50 kilowatts per project, thereby adding 500 megawatts to the total installed capacity
- Provide electricity to every home in India by 2020, and to make it affordable for everyone

### OUTLOOK

The Indian power sector has an investment potential of ₹ 15 trillion (USD 225 billion) in the next 4-5 years, thereby providing immense opportunities in power generation, distribution, transmission, and equipment, according to

Union Minister Mr. Piyush Goyal. The Government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. The Government of India is taking a number of initiatives like the 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets. It will also add 175 gigawatts of renewable energy and 100 gigawatts of solar power by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 gigawatts by 2022 from the current 20 gigawatts. (Source: IBEF.org – March'17 report)

### ABOUT IPCL

The Company owns close to 1,600 MW of generation both in conventional and renewable energy, its distribution area spans across 2000 sq. kms and serves close to 2.5 lakh consumers. An ISO 9001: 2015 certified company, the story of India Power began in 1919 with the incorporation of the Dishergarh Power Supply Co. Ltd. Since then, the Company has powered the progress of Eastern India. It supplies power to Eastern Coalfields Limited, hospitals and government utilities besides industries and commercial consumers across the Asansol-Ranigunj belt of West Bengal and serving one lac eighty five thousand consumers of Gaya, and Manpur areas of Bihar. The most popular archaeological sight named Mahabodhi Temple where Lord Buddha got enlightened is being lighted by India Power. The globally acclaimed destination of salvation namely, The Vishnupad temple where the whole country pays homage to their ancestors is also illuminated by none other than India Power.

Today, IPCL has a diversified portfolio of conventional and renewable modes of power generation, multi-location distribution, operation and maintenance & logistics outfits.

At IPCL, it is our constant endeavour to grow the scale and scope of our operations in the energy sector. We are constantly seeking synergic opportunities in the power generation and distribution space to enhance our presence organically and inorganically. India Power has started a backward integration to gear up the future prospect of the Company as an all-inclusive service provider in the energy world.

### GENERATION

#### Thermal power:

- 12 megawatts coal fired thermal power station at Dishergarh in Asansol Distribution Area
- 450 megawatts thermal plant under implementation -(150 MW commissioned in 2017) in Haldia

- Acquisition of 1,000 megawatts thermal power plant of Meenakshi Energy Pvt. Ltd. (now known as Meenakshi Energy Limited) in Andhra Pradesh in 2016 out of which 300 megawatts is already operational

#### Wind power:

- 60 megawatts power plant at Rajasthan
- 29.8 megawatts plant at Gujarat
- 10.4 megawatts plant at Karnataka
- 5 MW wind power in Sangli and Dhule district, power is sold to Maharashtra State Electricity Distribution Company

#### Solar power:

- 2 megawatts solar power plant at Seebpore (West Bengal)
- 36 megawatts – solar power plant at Uttarakhand

#### DISTRIBUTION

- Oldest distribution licensee in the region spread over 618 square kilometres in the coal-rich industrial belt of Asansol-Raniganj in West Bengal
- Distribution franchisee in Gaya and adjoining areas of Bihar subsidiary covering 1,630 square kilometres
- Implementation of pre-paid meter and the SAP system to collect, analyse and diagnose data
- Lowest licensee T&D losses at below 3% at licensed area
- Franchisee T&D loss recorded at 49% in March'17 aiming at 15%
- Regulated assets (distribution business) provides downside protection to returns (16.5% ROE guaranteed)
- Generates more than 20% ROE on Asansol Distribution License due to operational efficiencies

# 99.99%

Highest grid reliability in India

# 100%

Adoption of AMR technology

#### OPERATIONS AND MAINTENANCE OF POWER PLANTS THROUGH INDIA UNIPER POWER SERVICES PRIVATE LIMITED

- Full operation and maintenance services
- Plant performance optimisation and testing
- Engineering and technical services
- Flexible operations studies and services
- Advanced condition monitoring
- Advanced performance management
- Fuel optimisation tools and services
- Benchmarking and maturity assessment

#### GROWTH DRIVERS

- Leverage of 9 decades of expertise in the Power distribution business
- Meet technical and experience criteria
- One of the few utilities of India to qualify and bid for Distribution Franchisee Model providing scope for expansion
- Focus on parallel licence opportunities
- Current capex undertaken to grow distribution business in and around the licensed area of Asansol and Distribution franchise model in Gaya, Bihar

#### FINANCIAL HIGHLIGHTS

##### Consolidated financial highlights

Particulars	(₹ in crore)	
	2016-17	2015-16
Gross revenue	726.68	760.99
PBT	61.40	46.55
PAT	38.18	37.64

#### RISK MANAGEMENT

The Company is pro-active in identifying, analysing and resolving risks associated with the business. Our aim is to sustain operations and protect Shareholder's value, improve governance process and achieve strategic objectives.

India Power ensures effective Enterprise Risk Management by:

- Identifying risks and promoting a pro-active approach to treating such risks
- Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on the business

- Optimising risk situations to manage adverse exposure and ensure that they are within acceptable risk appetite of the Company
- Providing clear and strong basis for informed decision-making at all levels of the organisation
- Strengthening the risk management system through continuous learning and development
- Complying with all relevant laws and regulations across its areas of operation
- Communicating the risk management policy to required stake holders and periodically reviewing its relevance in a continuously changing business environment

The processes of developing Business Continuity and Disaster Management Plans for unforeseen exigencies are outside the scope of the risk management policy and are being dealt with separately by the Company.

Following are the inherent risks of IPCL:

#### **AVAILABILITY OF POWER**

Access to continuous power at optimum costs continues to be one of the biggest challenge faced by the Company. This requirement is in addition to its own capacity of generating power. In order to mitigate this risk, we have our 220kV JK Nagar substation connected to the national grid. This connection helps in providing an option to procure power through open access by entering into a bilateral agreement with generators on short, medium or long-term basis.

#### **SALE OF POWER**

Stagnated economic growth in markets, where we currently serve through power distribution, like South Bihar and Asansol / Durgapur belt of West Bengal is significantly restricting growth in these markets.

With the scarcity of long term Power Purchase Agreements in the Country, capacity utilisation for the thermal generation capacity of the India Power Group of Companies would be a major risk in the year to come.

#### **COAL AVAILABILITY**

The Company requires specific grade of coal for running its portfolio of power plants. In the absence of coal linkages,

Our 220kV JK Nagar substation's connection to the national grid helps in providing an option to procure power through open access by entering into a bilateral agreement with generators on short, medium or long-term basis.

the Company is procuring coal through e-auctions and open market imports from Indonesia. The Company blends the same with rejects in order to optimise generation costs.

Prices of coal for both indigenous and imported variety have been erratic during the year resulting in unviable cost of generation over certain periods.

Under recent policy "Shakti", declared by the Government, coal linkages would be awarded to designate state-owned power distribution companies (DISCOM's). These, in turn, would assign linkages to state or central power generation companies via allocation, and through auction to private units. The independent power producers (IPPs) participating in the auction will bid for discounts on the existing tariff and this would be adjusted from the gross coal bills, was quoted in a Government statement.

#### **COMPETITION**

Two other utilities operate simultaneously in the Company's distribution business, resulting in increased competition for expanding consumer base and retention thereof. To mitigate such challenges, we keep our tariffs competitive. This aids in attracting new consumers as well as retaining existing consumers. We strive to continuously expand our network spread to cover domestic as well as commercial consumers. We go the extra mile to understand the power requirements of our customers in order to offer customised solutions for them.

## HEALTH, SAFETY AND ENVIRONMENT

The Company has a robust operational health and safety policy covering all its employees. This policy also helps in protecting the environment. We believe in reducing our carbon footprint and hence have adopted various technologies. They are:

- Control of air and water pollution
- Fly Ash utilisation
- Solid waste management
- Ecological conservation
- Effective treatment plant
- Environmental laboratory

## HUMAN RESOURCES

IPCL's heritage is incomplete without its rich talent pool. It strongly believes that the employees' welfare, development and their performance are important contributors to the Company's success. It recognises its employees who exhibit qualities such as integrity, quality, teamwork and personal accountability. The Company ensures to provide a safe and a healthy work environment which enhances our employees' productivity. We encourage our people to voice their thoughts and ideas without the fear of being judged.

India Power is an equal opportunity employer without any discrimination on grounds of age, gender, colour, language, caste, creed, etc. The Company recognises that a workforce that broadly reflects the composition of the local communities in which we operate, places us in a unique position to understand and respond to the needs of our customers. Thus, diversity is a competitive differentiator in employment and in our customer markets. The Company's total permanent employee strength as on 31st March, 2017 stood at 545.

IPCL's heritage is incomplete without its rich talent pool. It strongly believes that the employees' welfare, development and their performance are important contributors to the Company's success.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal controls are commensurate with the size and the nature of its operations. These controls have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorised use or loss, compliances with applicable regulations and for ensuring reliability of financial reporting.

The Company has an Audit Committee to continuously monitor the adequacy and effectiveness of the internal control of the environment across your Company. The Audit Committee of the Company comprises of eminent professionals who are well versed with the financial management. The Internal Auditor submits detailed reports periodically to the management and the Audit Committee. The Management makes it a point that the Internal Control is brought under regular review and evaluations in consultation with the Internal Auditor.

## BOARD'S REPORT



*Dear Members,*

Your Directors are pleased to present the 97th Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2017.

### HIGHLIGHTS

- Net Worth increased by 3.67% to ₹ 1,11,987.33 Lakhs from ₹ 1,08,024.18 Lakhs;
- Revenue (including Regulatory income/expense) declined by 26.14% to ₹ 44,578.78 Lakhs from ₹ 60,354.66 Lakhs on account of lower sales to another licensee;
- EBIDTA increased by 33.16% to ₹ 13,749.34 Lakhs from ₹ 10,325.42 Lakhs;
- PAT increased by 20.93% to ₹ 3,912.04 Lakhs from ₹ 3,235.09 Lakhs.

### FINANCIAL RESULTS

The summarised standalone financial performance of your Company is presented hereunder:

Particulars	₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Total Income (including Regulatory income/expense)	44,578.78	60,354.66
Total Expenditure	43,128.01	55,933.32
Exceptional Items	4,673.56	-
<b>Profit before Tax</b>	<b>6,124.33</b>	<b>4,421.34</b>
Less: Provision for Taxation:		
Current Tax	1,645.63	745.89
Deferred Tax	566.66	440.36
<b>Profit after Tax</b>	<b>3,912.04</b>	<b>3,235.09</b>

### INDIAN ACCOUNTING STANDARDS

In accordance with the notification issued by the Ministry of Corporate Affairs, your Company is required to prepare Financial Statements under Indian Accounting Standards (hereinafter referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016.

Accordingly, the Company has adopted Ind AS with effect from 1st April, 2016 and the Financial Statements for the year ended 31st March, 2017 has been prepared in accordance with Ind AS. The Financial Statements for the year ended 31st March, 2016 have accordingly been restated.

### DIVIDEND

The Board of Directors of your Company at its meeting held on 10th September, 2016 approved and adopted Dividend Distribution Policy in terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). The policy is available on the Company's website at the link [http://www.indiapower.com/pdf/DIVIDEND\\_DISTRIBUTION\\_POLICY.pdf](http://www.indiapower.com/pdf/DIVIDEND_DISTRIBUTION_POLICY.pdf) and is attached to this Report as **Annexure I**.

In line with the Dividend Distribution Policy, the Board of Directors of your Company are pleased to recommend a dividend of 5% (₹ 0.05 per share) for the financial year ended 31st March, 2017 on the paid up equity share capital of the Company, subject to approval of the members at the ensuing Annual General Meeting. The dividend, if approved, will result in a payout of ₹ 788.97 Lakhs and shall be subject to Corporate Dividend Tax to be paid by your Company.

### DEPOSITS

Your Company has not accepted any deposits from the public within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

### RESERVES

The amount carried to the reserves and surplus for the financial year 2016-17 are given in the Standalone Financial Statements of your Company for the financial year ended 31st March, 2017.

### REVIEW OF OPERATIONS AND STATE OF COMPANY AFFAIRS

Your Company has maintained its consistent operating performance during the year under review, recording a

Transmission & Distribution Loss figure of 3.13% for the year ended 31st March, 2017, which is one of the lowest among the power distribution utilities across India.

The Total Income (including Regulatory income/expense) was recorded at ₹ 44,578.78 Lakhs for the financial year ended 31st March, 2017, in comparison to the previous year figures of ₹ 60,354.66 Lakhs. Your Company supplied 676.74 Million Units of power in its license area in West Bengal and 133.37 Million Units of Wind Power in the States of Rajasthan, Karnataka and Gujarat during the financial year ended 31st March, 2017 as against 796.73 Million Units and 140.23 Million Units respectively for the last year. The Profit after Tax for the financial year ended 31st March, 2017 was recorded at ₹ 3,912.04 Lakhs, as compared to last year figure of ₹ 3,235.09 Lakhs.

During the year 2015-16, your Company entered into an Agreement with ENGIE to acquire shares of Meenakshi Energy Limited (formerly known as Meenakshi Energy Private Limited), subject to customary approvals and consents. On 30th September, 2016, the transaction was consummated and your Company acquired 95.07% of the equity stake of Meenakshi Energy Limited and post the said acquisition, Meenakshi Energy Limited became a subsidiary of your Company.

With an objective to venture into asset management services for developing and servicing the power sector in India both new build and plants under operation, whether operated by thermal, gas or renewable power, your Company executed a Joint Venture Agreement with Uniper Kraftwerke GmbH, one of the largest integrated energy corporations in the world through India Uniper Power Services Private Limited. Your Company also executed a Joint Venture Agreement with Andamax GmbH, to engage in logistics, infrastructure building, designing, developing and setting up of transshipment/transloading facilities/floating transfer facilities etc. through Matsya Shipping & Ports Private Limited.

India Power Green Utility Private Limited, a wholly-owned subsidiary of your Company executed definitive agreements with Punj Lloyd Infrastructure Limited (hereinafter referred to as "PLIL") to co-develop 24 MW (12 MW each) of solar assets in Uttarakhand to be executed by PL Sunrays Power Limited and PL Solar Renewable Limited, the wholly-owned subsidiaries of PLIL. PL Sunrays Power Limited and PL Solar Renewable Limited have Power Purchase Agreements for a period of 25 years with Uttarakhand Power Corporation Limited.

For further information on Company's Operations, Outlook and State of Company's affairs, please refer to the Management Discussion & Analysis Report (as stipulated under Regulation 34(2) of the Listing Regulations) which is in addition to this Report.

There is no change in the nature of business of your Company during the year under review. Further, no material changes and commitments have occurred after the close of the financial year till the date of this Report, which affects the financial position of your Company other than those stated in this Report.

### SHARE CAPITAL

In terms of the Scheme of Arrangement and Amalgamation of erstwhile India Power Corporation Limited (hereinafter referred to as "erstwhile IPCL") (CIN: U40101WB2003PLC097340) into and with DPSC Limited (now known as India Power Corporation Limited) sanctioned by the Hon'ble High Court at Calcutta vide its Order dated 17th April, 2013 (hereinafter referred to as "Scheme"), the shareholders of erstwhile IPCL are entitled to be allotted 11 equity shares of ₹ 1 each of your Company for every 100 equity shares of erstwhile IPCL held by them totaling to allotment of 112,02,75,823 equity shares of ₹ 1 each (hereinafter referred to as "consideration shares"). The holding of erstwhile IPCL in your Company i.e. 51,61,32,374 equity shares of ₹ 1 each, however, shall stand cancelled pursuant to the aforesaid Scheme and accordingly the paid-up equity share capital of the Company upon allotment of the consideration shares and cancellation as envisaged above will be increased from ₹ 97,37,89,640 to ₹ 1,57,79,33,089 comprising 157,79,33,089 equity shares of ₹ 1 each.

Cancellation and allotment of the said shares has not been given effect due to certain pending formalities with the Stock Exchanges in view of the Interim Order relating to Minimum Public Shareholding passed by Securities and Exchange Board of India (hereinafter referred to as "SEBI"). The paid up share capital of your Company shall undergo requisite changes upon the said cancellation and allotment.

### SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

#### MEENAKSHI ENERGY LIMITED (MEL)

*(formerly known as Meenakshi Energy Private Limited)*

MEL became a subsidiary of your Company w.e.f. 30th September, 2016 post acquisition of 95.07% of equity shares. MEL is an Independent Power Producer in India that owns and operates 300 MW coal fired plant and also owns 700 MW coal fired plant which is under implementation

in Thamminapatnam village of Nellore, Andhra Pradesh. The said transaction has enabled your Company in adding capacity of thermal power generation to its portfolio.

#### INDIA POWER CORPORATION (HALDIA) LIMITED (IPCHL)

IPCHL, a subsidiary of your Company in terms of the provisions of the Act, is setting up a 450 MW (3x150) MW coal-based thermal power plant in Haldia, West Bengal, which is under implementation and out of which 150 MW is commissioned. The said Power Plant will help your Company in becoming an integrated power utility and also expand further into distribution business.

#### INDIA POWER CORPORATION (BODHGAYA) LIMITED (IPCBL)

IPCBL, a wholly-owned subsidiary of your Company, undertakes the Distribution Franchisee business in Gaya, Bodh Gaya, Manpur and the adjoining areas in the State of Bihar. IPCBL is procuring power from South Bihar Power Distribution Company Limited and is selling it to the consumers in the franchise areas.

#### IPCL POWER TRADING PRIVATE LIMITED (IPTPL)

IPTPL, a subsidiary of your Company, received the Category III Inter-State Trading Licence from the Central Electricity Regulatory Commission. By virtue of this licence, IPTPL can now trade electricity upto 620 Million Units per annum on a pan India basis.

#### INDIA POWER GREEN UTILITY PRIVATE LIMITED (IPGUPL)

IPGUPL, a wholly-owned subsidiary of your Company was incorporated with an objective to foray into developing and / or acquiring green assets to build a sizeable portfolio of green energy. During the year under review, IPGUPL executed definitive agreements with Punj Lloyd Infrastructure Limited (PLIL) to co – develop 24 MW (12 MW each) of solar assets in Uttarakhand which shall be executed by PL Sunrays Power Limited and PL Solar Renewable Limited, the wholly-owned subsidiaries of PLIL.

Pursuant to the aforementioned Agreements, IPGUPL acquired 49% of equity stake in PL Sunrays Power Limited and PL Solar Renewable Limited on 23rd February, 2017. Post consummation of the transaction, PL Sunrays Power Limited and PL Solar Renewable Limited have become subsidiaries of IPGUPL in terms of the provisions of the Act as IPGUPL controls the composition of the Board of Directors in terms of the Agreements.

#### MATSYA SHIPPING & PORTS PRIVATE LIMITED (MSPPL)

MSPPL was incorporated as a wholly-owned subsidiary of your Company, with an objective to foray into shipping & ports sector. During the year under review, your Company

executed a Joint Venture Agreement with Andamax GmbH. Pursuant to the said Agreement, your Company has divested fifty percent equity stake in MSPPL on 27th March, 2017, and is awaiting certain requisite approvals to give effect to the transaction. Pursuant to the said transaction MSPPL is a Joint Venture Company between your Company and Andamax GmbH. The Joint Venture Company will be engaged in logistics, infrastructure building, designing, developing and setting up of transshipment/transloading facilities/floating transfer facilities etc.

#### **INDIA UNIPER POWER SERVICES PRIVATE LIMITED (IUPSPL)**

IUPSPL was incorporated as a wholly-owned subsidiary of your Company on 2nd August, 2016, with an objective to foray into asset management services for power generating assets both for new build and plants under operation, whether operated by thermal, gas or renewable power. During the year under review, your Company executed a Joint Venture Agreement with Uniper Kraftwerke GmbH. In terms of the said Joint Venture Agreement, your Company has disinvested fifty percent equity stake in IUPSPL on 6th January, 2017. IUPSPL is now a Joint Venture Company between your Company and Uniper Kraftwerke GmbH. However, since your Company controls the composition of the Board of Directors of IUPSPL in terms of the Act, it continues to be a subsidiary of your Company.

#### **IPCL PTE LIMITED**

IPCL PTE LIMITED, a wholly-owned foreign subsidiary, was incorporated in the Republic of Singapore under the Companies Act (CAP50) as a private company limited by shares to explore business development activities including exploring opportunities of brown field acquisitions in India and abroad. The said subsidiary company, owns 51% share capital, comprising of 5100 shares of Edison Power Limited, a company incorporated in Jersey, to explore business opportunities across Europe. Consequent to the same, Edison Power Limited is a step-down subsidiary of your Company.

Your Company has in place a Policy for determining material subsidiaries, as approved and adopted by the Board of Directors, which may be accessed on the Company's website at the link [http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf).

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The Statement in Form AOC-1 containing the salient features of the Financial Statements of your Company's Subsidiaries, Associates and Joint Venture Companies and also highlighting the performance of each of such Subsidiaries, Associates and Joint Venture Companies pursuant to the provisions of Section 129(3) of the Act read with Rules 5 & 8 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report.

Further, in line with Section 129(3) of the Act read with the aforesaid Rules, Listing Regulations and in accordance with Ind AS, Consolidated Financial Statements prepared by your Company includes financial information of its Subsidiaries, Associates and Joint Venture Companies and their contribution to the overall performance of your Company during the year under review.

Pursuant to the sale of Fully Compulsory Convertible Debentures held by your Company in IPCHL on 30th March, 2017, IPCHL ceased to be a subsidiary of your Company w.e.f. 31st March, 2017 in terms of the provisions of Ind AS 110 and Ind AS 28. Accordingly, the Annual Accounts of IPCHL, has been consolidated with the accounts of your Company for the period 1st April, 2016 to 30th March, 2017.

The Annual Accounts of PL Sunrays Power Limited and PL Solar Renewable Limited, the subsidiary companies of IPGUPL, a wholly-owned subsidiary of your Company, have been consolidated with the accounts of your Company in terms of Ind AS 110 on Consolidated Financial Statements.

The Annual Accounts of Meenakshi Energy Limited for year ended 31st March, 2017, a subsidiary company in which the Company holds 95.07% equity shares are yet to be compiled and audited. Accordingly the same has not been consolidated as per Ind AS 110 on accounting of Consolidated Financial Statements.

Further, pursuant to the provisions of Section 136 of the Act, copies of the Annual Financial Statements of each of the subsidiary company would also be available for inspection by a member or by the trustee of the holder of any debentures of the Company at the Registered Office of your Company during business hours on all working days (excluding Saturday) between 11:00 a.m. to 1:00 p.m. upto the conclusion of the ensuing Annual General Meeting. Further, copies of the Annual Financial Statements of each of the subsidiary company have also been placed on the website of your Company [www.indiapower.com](http://www.indiapower.com). Further, any shareholder of the Company may obtain copies of these documents by writing to the Company Secretary at the Registered Office of your Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(3)(c) of the Act, your Directors confirm that:

- a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the Directors have 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 as at 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## BOARD OF DIRECTORS

The Board comprises of an optimum mix of Executive and Non-Executive Directors including Independent Directors. The Board's composition and size is robust and enables it to deal competently with emerging business development issues and exercise independent judgement. The Company recognises and embraces the benefits of having a diverse Board with an optimal mix of professionalism, knowledge and experience. During the year under review, there were no changes in the composition of the Board of Directors of your Company. Details of the Directors of your Company and remuneration drawn by the Directors are given in the Extract of Annual Return annexed hereto and forming part of this Report. None of the Directors of your Company are disqualified as per the applicable provisions of the Act or the Listing Regulations.

### Appointment

The Board at its meeting held on 29th May, 2017, based on the recommendation of the Nomination and Remuneration Committee of your Company, appointed Shri Raghav Raj Kanoria (holding DIN: 07296482), as an Additional Director of your Company w.e.f. 1st June, 2017 to hold office upto the date of ensuing Annual General Meeting. The Board at its aforesaid meeting, based on the recommendation of the Nomination

& Remuneration Committee approved the appointment of Shri Raghav Raj Kanoria as the Managing Director of your Company for a term of 5 (five) years w.e.f. 1st June, 2017 and also approved the terms and conditions of the appointment including remuneration, subject to the approval of the Members at the ensuing Annual General Meeting.

### Director retiring by rotation

Shri Jyoti Kumar Poddar (holding DIN: 00690650), being Director liable to retire by rotation, shall retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends the above re-appointment.

Resume and other information regarding the Directors seeking appointment/re-appointment as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings forms part of the Notice convening the ensuing Annual General Meeting.

### Declaration by Independent Directors

Your Company has received declarations from each of the Independent Directors confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

### Familiarisation Programme

In terms of Regulation 25(7) of the Listing Regulations, your Company is required to conduct familiarisation programmes for Independent Directors to familiarise them with their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc.

The details of such programmes for familiarisation of Independent Directors are available on the Company's website at the link:

[http://www.indiapower.com/pdf/IPCL\\_Directors\\_Familiarisation\\_Programme.pdf](http://www.indiapower.com/pdf/IPCL_Directors_Familiarisation_Programme.pdf)

### KEY MANAGERIAL PERSONNEL

As on 31st March, 2017, Shri Asok Kumar Goswami, Whole-time Director, Shri Shirang Bhalchandra Karandikar, Chief Executive Officer, Shri Sushil Kumar Agarwal, Chief Financial Officer and Shri Prashant Kapoor, Company Secretary were the Key Managerial Personnel of your Company in terms of the provisions of Section 203 of the Act.

Shri Laxmi Narayan Mandhana, Chief Financial Officer, resigned from the Company with effect from close of working hours of 18th July, 2016 and Shri Sushil Kumar Agarwal was

appointed as the Chief Financial Officer of the Company with effect from 6th December, 2016.

Details of appointment / cessation of the Key Managerial Personnel during the year 2016-17 and the remuneration details of the Key Managerial Personnel are given in the Extract of Annual Return annexed hereto and forming part of this Report.

The Board at its meeting held on 29th May, 2017, based on the recommendation of the Nomination and Remuneration Committee of your Company, designated Shri Raghav Raj Kanoria as the Key Managerial Personnel of the Company w.e.f. 1st June, 2017.

### MEETINGS

During the year 2016-17, 5 (five) Meetings of the Board of Directors were held. Additionally several Committee Meetings were also held during the year under review. Detailed information of such Meetings are given in Report on Corporate Governance annexed hereto and forming part of this Report.

### COMMITTEES OF THE BOARD

As a matter of good corporate governance and to ensure better accountability and to deal with specific areas/concerns that need a closer view, various board level Committees have been constituted in terms of the provisions of the Act and the Listing Regulations under formal approval of the Board. There exists an Audit Committee, Nomination & Remuneration Committee, Shareholders' / Investors' Grievance and Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Committee of Directors of the Board.

The details of the compositions, brief terms of reference, meetings held during the year 2016-17, attendance of the Members etc., of the said Committees are given in the Report on Corporate Governance annexed hereto and forming part of this Report.

### PERFORMANCE EVALUATION OF BOARD/ DIRECTORS/ COMMITTEES

Pursuant to the provisions of the Act and Listing Regulations, the Nomination & Remuneration Committee and the Board has carried out the performance evaluation of the Board, the Directors individually (including Independent Directors), the Chairperson of your Company and the working of the Committees of the Board.

The key parameters on the basis of which performance evaluation is carried out are as under:

#### **Performance Evaluation of Board:**

Degree of fulfillment of key responsibilities; Board structure and composition; Establishment and delineation of responsibilities to Committees; Effectiveness of Board processes, Information and functioning; Board Culture and Dynamics; Quality of relationship between the Board and the Management; Efficacy of communication with external stakeholders; etc.

#### **Self Assessment of the Performance of Individual Directors (including Independent Directors):**

Attendance at Board / Committee Meetings; Understanding of the operating and business environment; Contribution at the meetings; Guidance / Support to management outside Board / Committee Meetings; Safeguarding the interest of various stakeholders; Application of independent judgement while taking decisions at Board / Committee Meetings; etc.

#### **Performance Evaluation of the Chairperson of the Company:**

Efficient Leadership; Professionalism; Impartiality; Commitment to the Board / Committee Meetings; Safeguarding the interest of various stakeholders; etc.

#### **Performance Evaluation of the board level Committees:**

Degree of fulfillment of key responsibilities; Adequacy of Committee composition; Effectiveness of Meetings; Committee dynamics; Quality of relationship of the Committee with the Board and the Management; etc.

Further, in the separate meeting of Independent Directors held during the year under review, performance of Non-Independent Directors, performance of the Board and the performance of the Chairperson was evaluated and the quality, quantity and timeliness of flow of information between the Company's Management and the Board was assessed. The Directors expressed their satisfaction with the overall evaluation process.

### CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (hereinafter referred to as "CSR") has always been an integral part of the vision of your Company and has been the cornerstone of its core value of Good Corporate Citizenship. As an integral part of the society, your Company is aware of its CSR and is working on the broad issues stressed by the United Nations, like human rights, labour conditions, environment, healthcare, education, etc.

In keeping with this philosophy, your Company continued the social development schemes initiated in the previous years along with new interventions to address the development needs of the communities where your Company operates. Your Company partnered with 'SRREOSHI' (Society for

Research & Rudimentary Education on Social & Health Issues) to carry out a string of capacity-building & integrated development programmes. Your Company also partnered with 'ASFI' (Acid Survivors Foundation India) to provide support to acid attack victims.

Medical Assistance has also been an integral part of the CSR initiative of the Company and your Company has undertaken various initiatives to provide medical assistance for the Leprosy Colony Development Programme in Asansol region with 'Ujjiban-03', a centre for socio-economic development in the area.

Your Company has in place a CSR Policy, recommended by CSR Committee and duly approved and adopted by the Board of Directors which describes the multiple lines around which the CSR activities of the Company are positioned being education and skill development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII to the Act as may be identified by the CSR Committee from time to time. The said Policy is available on the Company's website at the link: [http://www.indiapower.com/pdf/Corporate\\_Social\\_Responsibility\\_Policy\\_IPCL.pdf](http://www.indiapower.com/pdf/Corporate_Social_Responsibility_Policy_IPCL.pdf).

In compliance with Section 135 of the Act, your Company has taken various initiatives and undertaken certain projects as part of its CSR activities during the financial year 2016-17. The Annual Report on CSR activities containing statutory disclosures in terms of the provisions of the Act is attached to this Report as **Annexure II**.

### **RISK MANAGEMENT**

Your Company has in place Risk Management Policy, recommended by Risk Management Committee and duly approved and adopted by the Board of Directors. Risk Management Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving your Company's enterprise wide risk management framework and processes; (b) Identifying risks; (c) Optimising risk situations; and (d) Strengthening the risk management system through continuous learning and development. The details of the Risk Management Committee are mentioned in the Corporate Governance Report annexed hereto and forming part of this Report.

The Risk Management Committee periodically reviews the risks identified and finalise the mitigation plans. The identified risk areas are also covered in the Internal Audit Report. The details of the various risks identified and assessed by your Company and their mitigation plans are

also explained in the Management Discussion & Analysis Report which is in addition to this Report.

### **NOMINATION & REMUNERATION POLICY**

Your Company has in place a Nomination & Remuneration Policy for selection and appointment of Directors and Senior Management and fixing their remuneration, recommended by Nomination & Remuneration Committee and duly approved and adopted by the Board of Directors.

Appointment of Directors is made in accordance with the Policy on Board Diversity and Nomination & Remuneration Policy. The Nomination & Remuneration Policy is attached to this Report as **Annexure III** and is also available on your Company's website at the link:

[http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf).

### **VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

Your Company is committed to the highest possible standard of openness, probity, accountability and aims to provide avenues to its Directors and Employees to raise genuine concerns and to receive feedback on any action taken. Any form of victimisation is treated as a serious disciplinary offence and appropriate steps are taken to protect a bona fide whistle blower. The Vigil Mechanism established by your Company encourages and enables the Directors and Employees to raise concerns about suspected unethical behaviour or improper practices or wrongful conduct to protect them against victimisation.

The mechanism provides for a detailed complaint and investigation process with requisite provisions for direct access to the Chairperson of the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee of the Board from time to time.

Your Company hereby affirms that no complaints were received during the year under review and that no person has been denied access to the Chairperson of the Audit Committee. Further, the Whistle Blower Policy is available on the Company's website at the link:

[http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf).

### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

Your Company has laid down a framework for the Prevention, Prohibition and Redressal of Sexual Harassment at workplace in terms of the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, to promote a healthy

culture and congenial working environment and to create and provide an ambience in which all employees can work together. Employees may report their concerns to the Internal Complaints Committee formed for this purpose. The following is the summary of sexual harassment complaints received and disposed off by the Company during the year 2016-17:

No. of complaints of Sexual Harassment received during the year	:	NIL
No. of complaints disposed off during the year	:	NA
No. of cases pending for more than 90 days	:	NA
Nature of action taken by the employer	:	NA

## AUDITORS

### Statutory Auditors

M/s. Lodha & Co., Chartered Accountants, were appointed as the Statutory Auditors of your Company from the conclusion of the 94th Annual General Meeting till the conclusion of the 99th Annual General Meeting to be held in the year 2019, subject to ratification of their appointment at the subsequent Annual General Meetings.

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereunder, it is proposed to ratify the appointment of M/s. Lodha & Co., as the Statutory Auditors of your Company for the financial year 2017-18. The said Auditors have furnished the Certificate of their eligibility in this regard.

The Reports given by the Auditors on the Financial Statements of your Company for the year ended 31st March, 2017 is a part of this Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report on the Standalone Financial Statements of your Company for the year ended 31st March, 2017. The Auditors' Report to the shareholders on the Consolidated Financial Statements of your Company for the year ended 31st March, 2017 contains a qualification with regard to non-consolidation of accounts of Meenakshi Energy Limited, a subsidiary of your Company. As the Accounts of Meenakshi Energy Limited have not yet been compiled and audited the same has not been consolidated as per Ind AS 110 on accounting of Consolidated Financial Statements. The "Emphasis of Matter" given in the Standalone Financial Statements and Consolidated Financial Statements read with note no. 10.2 of the Standalone and Consolidated Financial Statements are self – explanatory.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of your Company during the year under review.

### Cost Auditors

M/s. Mani & Co., Cost Accountants, pursuant to the direction of the Central Government, Govt. of India, has been re-appointed as Cost Auditors of your Company for conducting Cost Audit for power business of the Company for the financial year ended 31st March, 2018.

### Internal Auditors

M/s. Protiviti Consulting Private Limited has been appointed as the Internal Auditors of your Company for the financial year 2017-18 pursuant to Section 138(1) of the Act to conduct the internal audit of the functions and activities of your Company. The internal audit report is placed at the meetings of Audit Committee for their review.

### Secretarial Auditors

According to the provision of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. H. M. Choraria & Co., Company Secretaries in Practice, (CP Number- 4557) has been appointed, to undertake the secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report is attached to this Report as **Annexure IV**.

The Secretarial Auditor has made certain observations in the Secretarial Audit Report with respect to non-compliance of Minimum Public Shareholding (hereinafter referred to as "MPS") requirement as prescribed by SEBI and on West Bengal Electricity Regulatory Commission (hereinafter referred to as "WBERC") matter.

In relation to the compliance of MPS, in terms of the Scheme, 24.69% equity shares capital of your Company comprising 24,04,28,662 equity shares of ₹ 1 each was transferred by erstwhile IPCL to an Independent irrevocable Trust named Power Trust, having Independent Board of Trustees, and accordingly erstwhile IPCL's shareholding in your Company has come down from 93% to 68.31% and Public Shareholding increased from 7% to 31.69%.

SEBI made an application before the Hon'ble High Court at Calcutta seeking amendment to clause 3.3.3 of the Scheme which stated that the Trustees shall constitute members of the Public. In this regard, the Court vide its Order dated 27th January, 2017 directed Power Trust to sell 32,63,16,563 equity shares constituting 20.68% of the post amalgamated paid up equity share capital of your Company to Public through Offer for Sale, for achieving 25% Minimum Public Shareholding requirement by your Company, by 30th April, 2017 and to transfer the balance 6,31,99,293 equity shares in favour of such entities as the Trust may on its own or at the direction of the promoters deem fit, by 31st March, 2017.

In terms of the aforesaid Order, Power Trust transferred 6,31,99,293 equity Shares of your Company on 30th March, 2017. In terms of the Scheme read with the aforesaid Order, erstwhile IPCL transferred 14,90,87,194 equity shares to Power Trust. Power Trust thereafter offered 32,63,16,563 equity shares of your Company to Public through Offer for Sale mechanism on 6th and 7th April, 2017. Out of the balance shares held, Power Trust again offered 2,50,00,000 equity shares of your Company to Public through Offer for Sale on 26th and 27th April, 2017. Subsequent to the aforesaid Offers 32,53,81,160 equity shares of your Company are held by Power Trust.

In relation to the WBERC matter, WBERC vide its Order dated 7th July, 2014 in its suo-moto proceedings against the Company in respect of the Scheme as sanctioned by the Hon'ble High Court at Calcutta vide its Order dated 17th April, 2013 has held that the above arrangement needs prior approval of WBERC under Section 17(4) of the Electricity Act, 2003 and in absence of such prior approval, WBERC has held the Scheme as void as a licensee. The said Order was challenged by your Company before the Hon'ble High Court at Calcutta and the single member bench of Hon'ble High Court at Calcutta quashed the said Order dated 7th July, 2014 by allowing the Writ Application. WBERC has preferred an appeal against the Order of the single member bench before the division bench of the Hon'ble High Court at Calcutta. The disposal of the matter is presently pending.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit reports to the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in your Company, its compliance with the operating systems, accounting procedures and policies of your Company. Based on the report of Internal Audit, corrective action are undertaken in the respective areas, thereby strengthening control. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Board has laid down Internal Financial Controls to be followed by your Company and such controls are adequate and were operating effectively. The Board also reviewed the internal control over financial reporting to ensure that the accounts of your Company are properly maintained and

that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Board found no material discrepancy or weakness in your Company's internal control over financial reporting.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Your Company maintained healthy, cordial and harmonious industrial relations throughout the year under review. There were 545 numbers of permanent employees on the rolls of your Company as on 31st March, 2017.

Statements of disclosure of remuneration in terms of the provisions of Section 197 of the Act read with Rule 5(1) and Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as **Annexure V & Annexure VI** respectively.

#### **BUSINESS RESPONSIBILITY REPORT**

In terms of Regulation 34(2)(f) of Listing Regulations, the Business Responsibility Report for the financial year 2016 - 17 is attached to this Report as **Annexure VII**.

#### **CORPORATE GOVERNANCE**

Your Company attaches great importance to good corporate governance and believes in enhancing and retaining investor's trust. Your Company has always striven to maintain sound corporate practices based on conscience, openness, fairness and accountability. Your Company is committed in building confidence of its various stakeholders, thereby paving the way for long term success. Good corporate governance has always been and will continue to remain one of the leading priorities of the Company through which it shall consistently strive to contribute to the efficiency of the corporate sector and as a result, a faster growing and more dynamic economy.

Pursuant to Regulation 34 of the Listing Regulations, Report on Corporate Governance along with Certificate from the Auditors of your Company regarding compliance with the requirements of Corporate Governance are attached to this Report as **Annexure VIII**.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

A Statement containing the details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is attached to this Report as **Annexure IX**.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual Return in Form MGT-9 as on 31st March, 2017 as provided under Section 92(3) of the Act is attached to this Report as **Annexure X**.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by your Company during the financial year under review with the related parties were in the ordinary course of business and on an arm's length basis. During the year 2016-17, your Company has not entered into any contract / arrangement / transaction with related parties which could be considered material under purview of the Section 188(1) of the Act. Accordingly, no transactions are being reported in Form AOC – 2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. Members may refer to the Notes to the Financial Statements for details of the related party transactions.

Your Company has in place a Related Party Transaction Policy, duly approved and adopted by the Board of Directors, on materiality of related party transactions and on dealing with such transactions. The said policy may be accessed on the Company's website at the link:

[http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf).

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Your Company, being an infrastructure company, the loans made, guarantees given or security provided by it are exempt from the provisions of Section 186 of the Act. However, the investments made by the Company by way of subscription, purchase or otherwise in the securities of any other body corporate, which falls under the ambit of Section 186 of the Act are applicable to your Company which are detailed in the notes to the Financial Statements.

**SIGNIFICANT AND MATERIAL ORDERS**

There are no significant / material orders passed by the Regulators / Courts / Tribunals impacting the going concern status of your Company and its future operations.

**ACKNOWLEDGEMENT**

The Board of Directors of your Company is pleased to acknowledge and place on record its sincere appreciation for the guidance, co-operation and encouragement extended to your Company by the Ministry of Power, Hon'ble West Bengal Electricity Regulatory Commission, various Ministries of the Central and State Governments, particularly the Power Departments, State Discoms, National and State Transmission Companies, West Bengal Green Energy Development Corporation Limited, Damodar Valley Corporation, Contractors, Fuel Suppliers, Power Exchanges, Department of Public Enterprises, SEBI, Stock Exchanges and other concerned Government departments/agencies of the Central and State Governments.

The Board also conveys its gratitude to the Shareholders, Banks, Financial Institutions and Credit Rating Agencies for the continued trust and confidence reposed by them in your Company. The Board would also like to convey their gratitude to the consumers for their unwavering patronage. The Board would also like to place on record their appreciation for the co-operation extended by the Auditors and Stakeholders and the untiring efforts and contributions made by the employees of your Company to ensure excellent all round performance of your Company.

On behalf of the Board,

**Hemant Kanoria**

Chairman

DIN: 00193015

Kolkata

29th May, 2017

**ANNEXURE I****DIVIDEND DISTRIBUTION POLICY**

The Board of Directors (the "Board") of India Power Corporation Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") in its meeting held on 10th September, 2016.

**EFFECTIVE DATE**

The Policy shall become effective from the date of its adoption by the Board i.e. 10th September, 2016.

**PURPOSE, OBJECTIVES AND SCOPE**

The Securities and Exchange Board of India ("SEBI") vide its Notification dated 08th July, 2016 has amended the Listing Regulations by inserting Regulation 43A making it mandatory for top five hundred listed companies based on their market capitalisation calculated as on the 31st March of every year to have a Dividend Distribution Policy.

Considering the above, the Board of Directors (the "Board") of the Company recognises the need to lay down a broad framework and to set out circumstances and different factors for the Board of the Company to consider while taking decision with regard to distribution of dividend to its shareholders and / or retaining or plough back its profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element of the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth and business of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, dividend, which shall be consistent with the performance of the Company over the years.

**The Policy shall not apply to:**

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

**A. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND**

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following :

1. Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company and other relevant factors;
2. The Board may also, where appropriate, aim at distributing dividends in kind, subject to applicable law, in form of fully or partly paid shares or other securities.

**B. CONSIDERATIONS AND FACTORS RELEVANT FOR DETERMINING DECISION OF DIVIDEND PAY-OUT**

The Board shall consider the following factors, while taking decisions of a dividend payout during a particular year-

**Statutory requirements**

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013 or Electricity Act, 2003 read with relevant Rules and Regulations thereunder, if any, the Listing Regulations, other applicable legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

The Company shall also take into account the prevalent taxation and other regulatory concern such as following:

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

#### **Agreements with lending institutions/ Debenture Trustees**

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements, if any, as may be entered into with the lenders of the Company from time to time.

#### **Prudential requirements**

The Company shall analyse the prospective projects and strategic decisions in order to decide:

- to build a healthy reserve of retained earnings;
- to augment long term strength;
- to build a pool of internally generated funds to provide long-term resources as well as resource-raising potential for the Company; and
- the needs for capital conservation and appreciation.

#### **Proposals for major capital expenditures etc.**

In addition to plough back of earnings, the Board may also take into consideration the need for replacement of capital assets, expansion and modernisation or augmentation of capital stock, including any major capital expenditure proposals.

#### **Extent of realised profits as a part of the IND AS profits of the Company**

The extent of realised profits out of its profits calculated as per Ind AS, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend or retention decision.

#### **Expectations of major stakeholders, including small shareholders**

The Board, while considering the decision of dividend

pay-out or retention of a certain amount or entire profits of the Company, shall, as far as possible, consider the expectations of the major stakeholders including the small shareholders of the Company who generally expects for a regular dividend payout.

#### **Macroeconomic conditions**

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall also take into account the policy decisions that may be formulated by the Government from time to time and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company.

#### **Past Dividend Trends of the Company**

The past dividend payment trend of the Company also determines the expectation of the shareholders.

### **C. OTHER FINANCIAL PARAMETERS**

In addition to the aforesaid parameters such as realised profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based the following:

#### **Operating cash flow of the Company**

If the Company is not able to generate adequate operating cash flow and may need to rely on outside funding to meet its financial obligations. The Board will consider the same before it decides on whether to declare dividend or retain its profits.

#### **Cost of borrowings**

The Board will analyze the requirement of necessary funds considering the long term or short term projects, expansions proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

#### **Net sales of the Company**

To increase its sales in the long run, the Company will need to increase its marketing and selling expenses, advertising etc. The amount outlay in such activities will influence the decision of declaration of dividend.

#### **Return on invested capital**

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

**Magnitude of earnings of the Company**

Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

**Debt Obligations**

The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

**Inadequacy of profits**

If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

**Post dividend EPS**

The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

**D. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED**

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013 or Electricity Act, 2003 read with relevant Rules and Regulations framed thereunder, if any, the Listing Regulations, other applicable legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses as may be statutorily required under various legislations applicable to the Company.

The Board shall consider the factors provided above under Para A, B and C, before determination of any dividend payout. Further the Board may also take into consideration such other circumstances as it may in its absolute discretion think fit.

**E. MANNER OF DIVIDEND PAYOUT**

Declaration and payment of dividends process will be as follows, subject to applicable regulations:

**In case of final dividends**

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company and be paid within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

**In case of interim dividend**

1. Interim dividend, if any, shall be declared by the Board.
2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.
4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

**F. MANNER OF UTILISATION OF RETAINED EARNINGS**

The Board may retain its earnings in order to make optimum utilisation of the available resources and enhance the shareholder's value. The retained earnings of the Company can be used for acquisitions, expansions, diversifications or for meeting the working capital requirements, other liabilities of the Company or may be retained for its business purpose in accordance with the applicable provisions of the Companies Act, 2013 or Electricity Act, 2003 read with relevant Rules and Regulations framed thereunder, if any, the Listing Regulations, other applicable legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The decision of distributing dividend or utilisation of the retained earnings shall be taken after having due regard to the parameters laid down in this Policy.

**G. PARAMETERS FOR VARIOUS CLASSES OF SHARES**

1. The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
2. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
3. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

**AMENDMENT**

To the extent any change/amendment is required in terms of any applicable law, the Managing Director or the Chief Executive Officer or the Whole Time Director of the Company shall be jointly / severally authorised to review and amend the Policy, to give effect to any such changes/ amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

On behalf of the Board,

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman

## ANNEXURE II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	<ul style="list-style-type: none"> <li>- The fulcrum of your Company's CSR Strategy is overall Community Development. Your Company always strives to impact Communities where it operates by holistically integrating its core business with their social and environmental concerns.</li> <li>- CSR for your Company is not only about philanthropy, we equally focus on maintaining sustainable business practices and responsible workplace conditions.</li> <li>- The CSR sharp focus is on healthcare, women's empowerment, education and life skills &amp; vocational training.</li> <li>- Brief outline of the Company's CSR objectives and its projects / programs are mentioned in the CSR section of the Board's Report.</li> <li>- The details of the CSR activities are also available on the Company's website at the link: <a href="http://www.indiapower.com/pdf/Corporate_Social_Responsibility_Policy_IPCL.pdf">http://www.indiapower.com/pdf/Corporate_Social_Responsibility_Policy_IPCL.pdf</a>.</li> </ul>						
2. The Composition of the CSR Committee:	Your Company's CSR Committee comprises of the following members: <ul style="list-style-type: none"> <li>- Shri Hemant Kanoria (Chairman) (Non Executive Director)</li> <li>- Shri Amit Kiran Deb (Independent Director)</li> <li>- Shri Jyoti Kumar Poddar (Non Executive Director)</li> </ul>						
3. Average net profit of the Company of the last three financial years:	₹ 4167.60 Lakhs						
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above):	₹ 83.35 Lakhs						
5. Details of CSR spent during the financial year:	<table border="0"> <tr> <td data-bbox="161 1431 675 1489">                             a Total amount to be spent for the Financial Year:                         </td> <td data-bbox="692 1431 898 1458">                             ₹ 83.35 Lakhs                         </td> </tr> <tr> <td data-bbox="161 1502 675 1529">                             b Amount unspent, if any:                         </td> <td data-bbox="692 1502 898 1529">                             ₹ 19.47 Lakhs                         </td> </tr> <tr> <td data-bbox="161 1541 675 1599">                             c Manner in which the amount spent during the financial year:                         </td> <td data-bbox="692 1541 1444 1599">                             The manner in which the amount is spent is detailed in the <b>Annexure A</b> </td> </tr> </table>	a Total amount to be spent for the Financial Year:	₹ 83.35 Lakhs	b Amount unspent, if any:	₹ 19.47 Lakhs	c Manner in which the amount spent during the financial year:	The manner in which the amount is spent is detailed in the <b>Annexure A</b>
a Total amount to be spent for the Financial Year:	₹ 83.35 Lakhs						
b Amount unspent, if any:	₹ 19.47 Lakhs						
c Manner in which the amount spent during the financial year:	The manner in which the amount is spent is detailed in the <b>Annexure A</b>						

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

As a responsible corporate entity, your Company has always been engaged in various activities for the betterment of society with Women's empowerment being utmost important to your Company's CSR philosophy.

Your Company in the Financial Year 2016-17 carried out a string of capacity-building & integrated development programs for the under-privileged groups, specially women and adolescent girls in Bankura, Burdwan & Purulia through the partner 'SRREOSHI' (Society for Research & Rudimentary Education on Social & Health Issues). Your Company has also partnered with 'ASFI' (Acid Survivors Foundation India) to provide support to acid attack victims. Your Company undertook to provide medical assistance for the Leprosy Colony Development Programme in Asansol region (namely Kankardanga, Jamuria, Luchipur and Barakar leprosy Colonies) with 'Ujjiban-03', a centre for socio-economic development in the area.

Although, the CSR spent for the Financial Year 2016-17 stood at ₹ 63.88 Lakhs, which is lower than the minimum amount required to be spent, the gap between CSR spent vis-à-vis minimum amount required to be spent has substantially narrowed as compared to previous years. Despite the unvarying efforts, your Company could not entirely consume the allocated CSR Budget, given your Company's agenda to utilise the funds in justifiable, sustainable and measureable activities.

Your Company is intermittently holding active discussions with its implementing partners and has identified several projects/programs which are befitting the CSR Policy of your Company. The said projects/programs are in different phases of implementation.

Your Company in its endeavor to accomplish its CSR objectives is actively looking out for collaborating / partnering with prospective organisations/implementing agencies.

Your Company is committed to continually explore new opportunities which align to its CSR philosophy and create maximum impact in sustainable development by embedding wider economic, social and ecological objectives.

7. Affirmation by CSR Committee:

The CSR Committee affirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objective and Policy of the Company.

Annexure A

(₹ in Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local areas or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Education	License area* of the Company and Kolkata	83.35	2.18	2.18	Directly by the Company
					0.50	0.50	Namo Saltore Vivekananda Vidya Ashram Model Educational Society
					28.75	28.75	SREI Foundation
					0.13	0.13	Burn Society for Education and Culture
2.	Rural Development Projects	Rural Development	License area of the Company		0.68	0.68	Directly by the Company
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Women Empowerment & Social Upliftment	License area of the Company and Kolkata		2.72	2.72	Society for Research & Rudimentary Education on Social & Health Issues
					25.00	25.00	Acid Survivors Foundation India (ASFI)

## Annexure A

(₹ in Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local areas or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
4	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Health care and sanitation	License area of the Company		1.09	1.09	Jamura Navin Asha Society
		Health and Self Help Training			2.50	2.50	UJJIBAN-03
5	Promoting social welfare	Education & Health	License area of the Company		0.33	0.33	Directly by the Company
<b>Total amount spent</b>				<b>83.35</b>	<b>63.88</b>	<b>63.88</b>	

\*License area of the Company covers 618 sq. km. in Asansol, West Bengal

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman, CSR Committee

**Shrirang B Karandikar**  
Chief Executive Officer

**ANNEXURE III****NOMINATION & REMUNERATION POLICY****1. Preamble**

- 1.1** Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 1.2** Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Nomination and Remuneration Policy ("the Policy") has been framed in compliance with the provisions of the Act and Rules made under the Act.
- 1.3** The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "**Executives**").

The expression "senior management" means employees of the Company who are members of its core management team excluding directors comprising all members of management one level below the executive directors, including the functional heads.

- 1.4** The existing Remuneration Committee of the Board of Directors has been re-named as Nomination and Remuneration Committee ("the Committee or NRC") so as to comply with the provisions of Section 178(1) of the Act. The Members of the Committee shall be appointed by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.
- 1.5** This Policy will be called "India Power Nomination & Remuneration Policy" and referred to as "the Policy".
- 1.6** The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

**2. Objectives****2.1 The objectives of the Policy are as follows:**

- 2.1.1** To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.
- 2.1.2** To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.
- 2.1.3** To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.1.4** To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- 2.1.5** To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**3. Principles of remuneration**

- 3.1 Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity:** The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

**3.4 External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

**3.5 Flexibility:** Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other laws.

**3.6 Performance-Driven Remuneration:** The Company may establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.

**3.7 Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

#### 4. Terms of Reference and Role of the Committee

##### 4.1 The Terms of Reference and Role of the Committee as set by the Board of Directors are as under:

4.1.1 Evaluate the current composition and organisation of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company;

4.1.2 Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;

4.1.3 Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any

planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;

4.1.4 Ensure "fit and proper" status of existing/proposed Directors of the Company in accordance with RBI Circular on Corporate Governance, issued from time to time;

4.1.5 Formulate, administer and supervise the Company's Stock Option schemes, if any, in accordance with relevant laws;

4.1.6 Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

4.1.7 Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

4.1.8 Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and Senior Management involves a balance between fixed and incentive pay, if any, reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

4.1.9 Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;

4.1.10 Formulate the criteria for evaluation of Independent Directors and the Board;

4.1.11 Devise a policy on Board diversity;

4.1.12 Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

4.1.13 Deal with such matters as may be referred to by the Board of Directors from time to time;

**4.2 The Committee shall:**

- 4.2.1 review the ongoing appropriateness and relevance of the Policy.
- 4.2.2 ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;
- 4.2.3 obtain reliable, up-to-date information about remuneration in other companies;
- 4.2.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

**4.3 Without prejudice to the generality of the terms of reference as set out above, the Committee shall:**

- 4.3.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to the Executives including individual limit and make amendments to the terms of such schemes, as the case may be;
- 4.3.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors.
- 4.3.3 review the terms of Executives service contracts from time to time.

**5. Procedure for selection and appointment of the Board Members**

**5.1 Board membership criteria:**

- 5.1.1 The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in power sector business, power trading business, government, academics, technology and in areas that are relevant for the Company's global operations.
- 5.1.2 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional

background and personal achievements. Directors must possess experience at policy-making and operational levels in large organisations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

- 5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

- 5.1.4 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

- 5.1.5 The Committee shall evaluate each Director with the objective of having a group that best enables the success of the Company's business.

**5.2 Selection of Board Members / extending invitation to a potential director to join the Board:**

- 5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

- 5.2.2 The Board then shall make an invitation (verbal / written) to the new member to join

the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

## 6. Procedure for selection and nomination of KMP and SMPs

The Chairman and the Head of Human Resource (HR) Department shall identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors / concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. existing as on that date. The appointment and/or removal of KMPs shall be placed before the NRC and / or Board of Directors at regular intervals.

Further, in case of appointment of SMPs (excluding KMPs), the appointment as approved by the Chairman and Head of the HR Department shall be placed before the NRC at regular intervals.

## 7. Compensation Structure

### 7.1 Remuneration to Non-Executive Directors:

Non-executive Directors of the Company are paid remuneration by way of fees only for attending the meetings of the Board of Directors and its Committees. The fees paid to the Non-executive Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act (which is currently ₹ 25,000/- per meeting) and for attending Audit Committee ₹ 10,000/- per meeting. However, fees for attending other Committee meetings i.e. Committee of Directors, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee is ₹ 10,000/- per meeting. Beside the sitting fees, they are also entitled to reimbursement of expenses and payment of commission on net profits.

The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law.

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

### 7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel(s) (SMPs)

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are not paid any fees for attending the Board and/or Committee meetings.

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company may receive any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs shall be determined by the Chairman and Head of Human Resource (HR) Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.

Further, the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors / Concerned Committees, if stipulated by any Act, statute, regulations etc.

#### **8. Powers of the Committee and Meetings of the Committee**

The Committee shall have inter-alia the following powers:

- 8.1** Conduct studies or authorise studies of issues within the scope of the Committee with full access to all books, records, facilities and personnel of the Company;
- 8.2** Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company;
- 8.3** Delegate its powers to any Member of the Committee or any KMP of the Company or form sub-committees to perform any of its functions or role under this Policy.

The Committee shall meet at least once in six months. Additional meetings may happen as the Committee deems it appropriate.

#### **9. Approval and publication**

- 9.1** This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2** The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.

#### **10. Supplementary provisions**

- 10.1** This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2** Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations, the Company's Articles of Association.

The right to interpret this Policy vests in the Board of Directors of the Company.

On behalf of the Board,

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman

## ANNEXURE IV

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration) Rules, 2014]

The Members,  
M/s India Power Corporation Limited  
Plot No. X 1-2,& 3, Block-EP, Sector-V  
Salt Lake City,  
Kolkata 700 091

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by India Power Corporation Limited (formerly known as DPSC Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 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 Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (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) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents

maintained by the Company, it has complied with the following laws that are applicable specifically to the Company

- 1) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- 2) Environment Protection Act, 1986 and other Environmental laws
- 3) Factories Act, 1948
- 4) Income Tax Act, 1961 and Indirect Tax Laws
- 5) Industrial Disputes Act, 1947
- 6) Payment of Bonus Act, 1965
- 7) Payment of Gratuity Act, 1972 and other applicable labour laws
- 8) The Electricity Act, 2003 and National Tariff Policy are applicable specifically to the Company

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited, and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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

1. Pursuant to Sections 11 and 19 of the SEBI Act, 1992 read with Section 12A of the Securities Contracts (Regulation) Act, 1956, SEBI has passed an Interim order dated 04th June, 2013 restraining the promoters, promoters group and directors of the Company, from undertaking some of the corporate actions for not maintaining the minimum public shareholding of 25%, in terms of clause 40A of the Listing Agreements. Further we have been informed by the management that the Company has represented to SEBI that it has complied with the minimum public shareholding norms in terms of the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, whereby 24.69% equity share capital of India Power Corporation Ltd (formerly DPSC Limited) have been transferred by

erstwhile India Power Corporation Limited ("erstwhile IPCL") to an independent irrevocable trust named as 'Power Trust', having independent board of trustees, and accordingly, erstwhile IPCL's shareholding in India Power Corporation Ltd (formerly DPSC Ltd) has come down from 93% to 68.31% and Public Shareholding in India Power Corporation Ltd (formerly DPSC Ltd) has increased from 7% to 31.69%.

Further, in the above matter, SEBI filed an application before the Hon'ble High Court at Calcutta seeking amendment of Clause 3.3.3 of the said Scheme, which states that as the trustees will hold the investment division in an irrevocable trust and shall be managing the investment trust in an independent manner, the trustees shall constitute members of public as defined under the Securities Contract Regulation Rules, in relation to any and all investments held by the investment trust, which the Company contested.

Further pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, the shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,12,02,75,823 equity shares of ₹ 1 each of the Company aggregating to ₹ 11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating / Transferor Company, its shareholding of 51,61,32,374 equity shares of ₹ 1 each aggregating to ₹ 5,161.32 lakhs in the Company shall stand cancelled in terms of the said Scheme approved by the Hon'ble High Court. The above referred allotment and cancellation, pursuant to the said Scheme, have not been given effect to, in view of the order passed by SEBI relating to Minimum Public Shareholding requirement.

Further the Hon'ble High Court at Calcutta vide its order dated 27th January, 2017 directed to Offer 32,63,16,563 equity shares in tranches out of 38,95,15,856 shares held by Power Trust to the public through Offer for Sale (OFS) by 30th April, 2017 and balance 6,31,99,293 equity shares to be transferred to such entity as the Trust on its own or at the direction of the Promoters, deem fit by 31st March, 2017.

Further, we have been informed by the management that pursuant to the order of the Hon'ble High Court at Calcutta dated 27th January, 2017, Power Trust has

transferred 6,31,99,293 equity shares to M/s Aksara Commercial Private Limited, one of the shareholders of erstwhile IPCL on 30th March, 2017.

We have been informed by the Management that following OFS have been made by Power Trust

Date of offer of shares	Quantum of share offered	Nos of shares subscribed by the Public
6th & 7th April, 2017	326316563	162352
26th & 27th April, 2017	25000000	773051

- West Bengal Electricity Regulatory Commission ("WBERC") vide its order dated 07th July, 2014 in its suo-moto proceedings against the Company in respect of the said Scheme as sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013 has held that the above arrangement needs prior approval of the Commission under section 17(4) of the Electricity Act, 2003 and in absence of such prior approval, the Commission has held the said scheme as void as a licensee. The said order of the Commission has been challenged by the Company before the Hon'ble High Court at Calcutta and the single member bench of Hon'ble High Court at Calcutta has quashed the said order dated 07th July, 2014 and the impugned letter dated 12th March, 2014 read with letter dated 01st April, 2014 by allowing the writ Application.

Thereafter, WBERC has preferred an appeal before the Division Bench of the Hon'ble High Court at Calcutta. The disposal of the matter is presently pending.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the year under Review.

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

All decisions were carried through and there were no dissenting members' views.

**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 no specific event has happened and / or no action has been taken by the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**H M Choraria & Co**  
Practising Company Secretary

**H M Choraria**  
Proprietor

Place : Kolkata  
Date : 29th May, 2017

FCS No. 2398, C P No.: 1499

## ANNEXURE V

### STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2016 - 17

**i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016 - 17: (Refer Note 1)**

Name of Directors	Designation	Ratio
Shri Asok Kumar Goswami	Whole Time Director	7.99:1
Shri Hemant Kanoria		0.26:1
Shri Sunil Kanoria	Non – Executive Director	0.26:1
Shri Jyoti Kumar Poddar		1.54:1
Shri Debi Prasad Patra		1.54:1
Shri Nand Gopal Khaitan		1.54:1
Shri Amit Kiran Deb		1.54:1
Shri Tantra Narayan Thakur	Independent Director	1.54:1
Shri S. Sundareshan		1.54:1
Smt. Dipali Khanna		1.54:1

**ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2016 - 17: (Refer Note 1, 2 & 3)**

Name of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	Designation	% increase in remuneration in the financial year 2016-17
Shri Asok Kumar Goswami	Whole Time Director	26.94
Shri Hemant Kanoria		(-) 42.86
Shri Sunil Kanoria	Non – Executive Director	(-) 42.86
Shri Jyoti Kumar Poddar		20.00
Shri Debi Prasad Patra		20.00
Shri Nand Gopal Khaitan		20.00
Shri Amit Kiran Deb		20.00
Shri Tantra Narayan Thakur	Independent Director	20.00
Shri S. Sundareshan		Not Applicable
Smt. Dipali Khanna		Not Applicable
Shri Shirang Bhalchandra Karandikar	Chief Executive Officer	Nil
Shri Laxmi Narayan Mandhana		Not Applicable
Shri Sushil Kumar Agarwal	Chief Financial Officer	Not Applicable
Shri Prashant Kapoor	Company Secretary	17.00

**iii) The percentage increase in the median remuneration of employees in the financial year 2016 – 17: (Refer Note 4)**

The percentage increase in the median remuneration of the employees is (-)3.69%.

**iv) The number of permanent employees on the rolls of the Company: (Refer Note 5)**

There were 545 employees on the rolls of the Company as on 31st March, 2017.

**v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2016 – 17 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Particulars	% Increase
Average increase in the salaries of employees other than the managerial personnel	9.02
Average increase in the remuneration of managerial personnel	(-)4.52
Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable

**vi) It is hereby confirmed that the remuneration paid during the financial year 2016-17 is as per the Nomination & Remuneration Policy of the Company.****Notes:**

- The Remuneration paid to the Non – Executive Directors & Independent Directors reflects the Commission paid to them during the Financial Year 2016 – 17 pertaining to the Financial Year 2015-16, as per the approval of the Members granted at the 94th Annual General Meeting of the Company held on 13th September, 2014 and as determined by the Board of Directors at their Meeting held on 5th August, 2016.
- Smt. Dipali Khanna was appointed on the Board w.e.f. 31st March, 2015, hence no Commission was paid to her during the Financial Year 2015- 16. Therefore, the percentage increase in remuneration in the Financial Year 2016 - 17 has not been provided. Shri S. Sundereshan was appointed on the Board w.e.f. 13th October, 2014, hence commission paid to him in the Financial Year 2015 – 16 pertained to a part of the Financial Year 2014-15. Hence the percentage increase in remuneration vis-a-vis Financial Year 2016 - 17 has not been provided.
- Shri Sushil Kumar Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. 6th December, 2016 and Shri Laxmi Narayan Mandhana resigned from the post of Chief Financial Officer w.e.f. close of working hours on 18th July, 2016 and therefore, percentage increase in their remuneration in the Financial Year 2016 - 17 has also not been provided.
- For both 2015-16 and 2016-17, the remuneration of the employees per annum and not the actual payout has been taken into consideration. Remuneration details include variable payout based on performance, if any. While calculating the Median remuneration, the remuneration of the Whole time Director has been included.
- Permanent employees on roll do not include Badli Workers, Retainers/ Advisors, Trainees & Contractual persons.

On behalf of the Board,

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman

## ANNEXURE VI

### STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of the Employee	Designation	Remuneration (₹)	Qualification(s)	Experience (in years)	Date of commencement of employment	Age (in years)	Particulars of last employment held
<b>NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN</b>							
<b>SHRIRANG BHALCHANDRA KARANDIKAR</b>	CHIEF EXECUTIVE OFFICER	7,505,260	M.E (ELECTRICAL) PGD IN PROJECT MANAGEMENT BE (ELECTRICAL)	39	01 December 2014	59	Crompton Greaves Limited, Head - Power Distribution Business
<b>SUNIL GUPTA</b>	SENIOR VICE-PRESIDENT - RESOURCE MOBILISATION	6,010,744	PGDBM, CWA, B.COM	32	22 April 2013	54	Lanco Amarkantak Power Limited, Sr. VP - Structured Finance
<b>SUSHIL KUMAR AGARWAL*</b>	CHIEF FINANCIAL OFFICER	5,250,156	CA, PGDM	25	30 September 2016	49	M B Power (Madhya Pradesh) Limited, CFO & Sr. VP - Finance & Accounts
<b>PRABHAJIT KUMAR SARKAR</b>	VICE PRESIDENT - STRATEGIC BUSINESS INITIATIVE	5,148,876	PGDM, B.E	13	12 March 2012	38	Power Exchange India Limited, VP - Business Development
<b>SANJEEV SETH*</b>	PRESIDENT - TRANSMISSION & DISTRIBUTION	4,333,336	3+CTP SR. MANAGEMENT RESIDENTIAL PROGRAMME B.E - ELECTRICAL	28	10 August 2016	52	Reliance Infrastructures - BSES, Sr. VP & Head Business
<b>ARGHA GHOSH</b>	VICE PRESIDENT - INTERNAL AUDIT	4,301,760	CISA, CA, ICWA, B.COM	21	04 April 2013	51	GMR Group, AVP - Management Assurance Group
<b>SANTANU ROY*</b>	VICE PRESIDENT - LEGAL	4,300,012	LLB HONS, LLM COMMERCIAL LAW	12	04 April 2016	38	Kalptaru Power Transmission Limited, Sr. Legal Counsel
<b>SOMESH DASGUPTA</b>	PRESIDENT - CORPORATE AFFAIRS & ADMINISTRATION	4,009,692	TQM CERT., MIE, PGDM (HRD), B.E. - MECH	31	15 November 1985	57	NA
<b>PRASHANT KAPOOR</b>	VICE PRESIDENT - COMPANY SECRETARY	3,510,024	CS, B.COM	19	23 July 2015	45	BMA Wealth Creators Limited, Sr. Vice President & Company Secretary
<b>AMIT PODDAR</b>	JT. VICE PRESIDENT - FINANCE & ACCOUNTS	3,253,008	CA, B.COM	16	29 February 2012	40	Tata Teleservices Limited, Senior Manager

\*Employed for part of the financial year 2016 - 17

**Notes:**

- (1) Remuneration includes Basic Salary, HRA, Medical, Special Allowance, One-time Payment, Conveyance Hiring Charges, Fixed Performance Incentive, Ex-gratia, LTA, Provident Fund and Gratuity, Incentives and other Perquisites.
- (2) The nature of employment is permanent in all the above cases.
- (3) None of the employees of the Company, as stated above, are relatives of any of the Directors of the Company.
- (4) Other disclosures in terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time) are not applicable to the Company.

On behalf of the Board,

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman

## ANNEXURE VII

**BUSINESS RESPONSIBILITY REPORT**

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1	Corporate Identity Number (CIN) of the Company	L40105WB1919PLC003263					
2	Name of the Company	India Power Corporation Limited [formerly DPSC Limited]					
3	Registered address	Centre for Excellence, Plot No. X1 -2 &3, Block – EP, Sector – V, Salt Lake, Kolkata – 700 091					
4	Website	www.indiapower.com					
5	E-mail id	corporate@indiapower.com					
6	Financial Year reported	2016-17					
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code	Description				
		351	Power Generation and Distribution				
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Generation and distribution of electricity					
9	Total number of locations where business activity is undertaken by the Company						
	(a) Number of International Locations	2					
	(b) Number of National Locations	The status are mentioned below:					
	<b>State</b>	<b>No. of Project Locations</b>	<b>Wind</b>	<b>Solar</b>	<b>Thermal</b>	<b>Transmission</b>	<b>Distribution</b>
	West Bengal	4	-	-	2	1	1
	Bihar	1	-	-	-	-	1
	Rajasthan	2	2	-	-	-	-
	Gujarat	2	2	-	-	-	-
	Maharashtra	1	1	-	-	-	-
	Karnataka	1	1	-	-	-	-
	Andhra Pradesh	1	-	-	1	-	-
	Uttarakhand	2	-	2	-	-	-
10	Markets served by the Company	West Bengal, Bihar, Rajasthan, Gujarat, Maharashtra, Karnataka, Andhra Pradesh and Uttarakhand					

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1	Paid up Capital (INR in Lakhs)	9,737.90
2	Total Turnover (INR in Lakhs) (including Regulatory income/expense)	44,578.78
3	Total profit after taxes (INR in Lakhs)	3,912.04
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.63%
5	List of activities in which expenditure in 4 above has been incurred	The list of activities in which CSR expenditure has been incurred are mentioned in Annual Report on CSR Activities which is attached to the Board's Report as Annexure - II

### SECTION C: OTHER DETAILS

- 1 Does the Company have any Subsidiary Company/ Companies**  
Yes, the Company has 10 Subsidiaries (Both Direct and Step-down) as on 31st March, 2017 in terms of the provisions of Companies Act, 2013.
- 2 Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
No
- 3 Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities [Less than 30%, 30-60%, More than 60%]**  
No

### SECTION D: BR INFORMATION

#### 1. Details of Director responsible for BR:

##### (a) Details of the Director responsible for implementation of the BR policy / policies:

DIN Number:	03331661
Name:	Shri Asok Kumar Goswami
Designation:	Whole-time Director

##### (b) Details of the BR head:

No.	Particulars	Details
1	DIN Number (if applicable):	03331661
2	Name:	Shri Asok Kumar Goswami
3	Designation:	Whole-time Director
4	Telephone Number:	033 6609 4308-10
5	E-mail id:	ashok.goswami@indiapower.com

#### 2. Principle-wise (as per NVGs) BR Policy / Policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** Businesses should promote the well being of all employees.
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5** Businesses should respect and promote human rights.
- P6** Businesses should respect, protect and make efforts to restore the environment.
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** Businesses should support inclusive growth and equitable development.
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### (a) Details of compliance (Reply in Y/N)

No.	Questions	Business Ethics	Product Responsibility	Well being of Employees	Stakeholder Engagement	Human rights	Environ-ment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

<b>(a) Details of compliance (Reply in Y/N)</b>										
No.	Questions	Business Ethics	Product Responsibility	Well being of Employees	Stakeholder Engagement	Human rights	Environment	Public Policy	CSR	Customer Relations
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	Y	Y	-	Y	Y	-	Y	Y
		-	Indian Electricity Act, 2003 & Electricity Supply Code	Relevant National Statutes	-	Relevant National Statutes	Relevant National Statutes	-	Companies Act, 2013	Indian Electricity Act, 2003 & Electricity Supply Code
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Relevant policies were framed from time to time as per the need and have been approved by the Board.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Implementation of the relevant policies of the Company is overseen by the specified committee of the Board/ Director/ Officials.								
6	Indicate the link for the policy to be viewed online?	The applicable policies are available on the website of the Company at the link <a href="http://www.indiapower.com/pdf/BRR_policies.pdf">http://www.indiapower.com/pdf/BRR_policies.pdf</a> .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Policies have been communicated to all relevant internal and external stakeholders. Communication is an ongoing process and hence intended to cover both internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Pursuant to the Policies, the Director responsible for Business Report is in charge of addressing the grievances of the Stakeholders. In addition, the Company has also set up vigil mechanism to address the genuine concerns, if any, of the Directors and the Employees. The mechanism will be gradually extended to cover other stakeholders. Consumer Grievance redressal mechanism is also in place as per Electricity Act and as per State Regulations.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	This being the first year of BR implementation, the Company will carry out evaluation of the policies internally in the coming years.								

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**3. Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- This being the first year of implementation of BR, the Board of Directors of the Company will review the BR performance of the Company annually.
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- This being the first year of implementation of BR, the Company will publish this Report as a part of its Annual Report. The Report for this year can be viewed on the Company's Website at the link: [http://www.indiapower.com/annual\\_report.php](http://www.indiapower.com/annual_report.php).

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?		
	Yes. However, the policy extends to the Company's Group and Joint Ventures but does not extend to Suppliers/Contractors/NGOs /Others.		
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.		
	Stakeholder	Received in FY 2016-17	Satisfactorily resolved by the management (%)
	Employees	Nil	N/A
	Vendor	Nil	N/A
	Company	Nil	N/A
	Investor	Nil	N/A
	Society	Nil	N/A
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities		
	a. Generation of Electricity		
	b. Distribution of Electricity		

<b>2</b>	<b>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)</b>
<b>(a)</b>	<b>Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain</b> There are various initiatives such as ash utilisation, reduction of specific water consumption and auxiliary power consumption, zero discharge, rain water harvesting, energy conservation, utilisation of scrap etc.
<b>(b)</b>	<b>Reduction during usage by consumers (energy, water) has been achieved since the previous year</b> Based on market survey and scientific load research several initiatives are implemented in Demand Side Management (DSM) schemes. This includes Energy audits and Load Management program. These initiatives have led to significant saving.
<b>3</b>	<b>Does the Company have procedures in place for sustainable sourcing (including transportation)</b>
<b>(a)</b>	<b>If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</b> Yes, Sustainability is extended to suppliers/vendors. It lays down the requirements on various aspects of sustainability such as ethics and compliance, Human Rights, Health, Safety and environment protection. Almost entire inputs have been sourced sustainably.
<b>4.</b>	<b>Has the Company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</b>
<b>(a)</b>	<b>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</b> No. Raw materials used by the Company are not produced by local and small vendors.
<b>5.</b>	<b>Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so.</b> The thermal power stations generate ash which is the major waste. The Company's endeavor is to utilise Fly Ash at the locations and take initiatives to utilise the bottom ash as well. The waste/used oil which comes under the Hazardous waste category and e-waste is disposed off through authorised recyclers. More than 10%.

<b>Principle 3</b>		<b>Businesses should promote the well being of all employees</b>	
<b>1</b>	<b>Please indicate the Total number of employees</b>		609
<b>2</b>	<b>Please indicate the Total number of employees hired on temporary/contractual/ casual basis</b>		38
<b>3</b>	<b>Please indicate the Number of permanent women employees</b>		19
<b>4</b>	<b>Please indicate the Number of permanent employees with disabilities</b>		0
<b>5</b>	<b>Do you have an employee association that is recognised by management?</b>		Yes, All operating Trade Unions are recognised by the management
<b>6</b>	<b>What percentage of your permanent employees is members of this recognised employee association?</b>		54%
<b>7</b>	<b>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:-</b>		
	<b>No.</b>	<b>Category</b>	<b>No of complaints filed during the financial year</b>
			<b>No of complaints pending as on end of the financial year</b>
	1	Child labour/forced labour/ involuntary labour	0
	2	Sexual harassment	0
	3	Discriminatory employment	0
<b>8</b>	<b>What percentage of your under mentioned employees were given safety &amp; skill up-gradation training in the last year?</b>		
	<b>(a)</b>	Permanent Employees – 21.21%	
	<b>(b)</b>	Permanent Women Employees – 15.79%	
	<b>(c)</b>	Casual/Temporary/Contractual Employees – Nil	
	<b>(d)</b>	Employees with Disabilities - NA	

<b>Principle 4</b>	
<b>Businesses should promote the well being of all employees</b>	
<b>1</b>	<b>Has the Company mapped its internal and external stakeholders? Yes/No</b> Yes, the Company has mapped internal and external stakeholders. The Company is carrying out engagements with investors, employees, customers, suppliers, community etc. periodically.
<b>2</b>	<b>Out of the above, has the Company identified the disadvantaged, vulnerable &amp; marginalised stakeholders</b> The Company has identified the disadvantaged, vulnerable & marginalised stakeholders and is working with women and marginalised children with a purpose of mainstreaming them.
<b>3</b>	<b>Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.</b> The Company is engaged in Women empowerment, Leprosy Colony Development Programme, Donation towards Kulti Grace Blind School, organising medical screening camps in villages, surgeries for cleft-affected kids, getting associated with Acid Survivors Foundation India, awareness programs about violence on women, gender discrimination including early marriage, self management skills, reproductive health (SRH) and building toilets, repairing schools, providing clean drinking water, books, furniture to schools to help develop less fortunate section of the society.
<b>Principle 5</b>	
<b>Businesses should respect and promote human rights</b>	
<b>1</b>	<b>Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?</b> Yes the policy of the Company is extended to its Group/Joint Ventures but not to its Suppliers/Contractors/NGOs/Others.
<b>2</b>	<b>How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?</b> No complaints were received during the reporting year.
<b>Principle 6</b>	
<b>Businesses should respect, protect and make efforts to restore the environment.</b>	
<b>1</b>	<b>Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.</b> The Company's Environment Policy covers the entire Company who is/are directly or indirectly engaged in the business process.
<b>2</b>	<b>Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.</b> Yes the Company has added 36 MW of Solar Generating capacities during the year. The details are available on the website of the Company <a href="http://www.indiapower.com">www.indiapower.com</a> and can be assessed at the link <a href="http://www.indiapower.com/green_initiative.php">http://www.indiapower.com/green_initiative.php</a> .
<b>3</b>	<b>Does the Company identify and assess potential environmental risks? Y/N</b> Yes, the Company has a mechanism to identify and assess potential environmental risks at the plant level. Once risks are identified, steps are taken to measure and mitigate these risks through the Management System approach.
<b>4</b>	<b>Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?</b> Yes, the Company have Clean Development Mechanism (CDM) projects. These projects include Wind projects at Rajasthan, Karnataka and Gujarat.
<b>5</b>	<b>Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.</b> This year the Company has implemented 24MW of Solar Power generating assets. The details are available on the website of the Company <a href="http://www.indiapower.com">www.indiapower.com</a> and can be assessed at the link <a href="http://www.indiapower.com/green_initiative.php">http://www.indiapower.com/green_initiative.php</a> .
<b>6</b>	<b>Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?</b> The Company is in compliance with the prescribed permissible limits as per Central Pollution Control Board (CPCB) /State Pollution Control Board (SPCB) for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal. Compliance reports/statements are submitted to SPCB as well as Regional office, Ministry of Environment, Forest & Climate Change (MoEFCC) regularly, as applicable.
<b>7</b>	<b>Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.</b> None

<b>Principle 7</b>	<b>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.</b>
<b>1</b>	<p><b>Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:</b></p> <p>The Company is member of various trade and chamber associations. The major ones are:</p> <p>(a) Indian Chamber of Commerce (ICC)</p> <p>(b) Bengal Chamber of Commerce &amp; Industry (BCC&amp;I)</p> <p>(c) Confederation of Indian Industries (CII)</p> <p>(d) Federation of Indian Chamber of Commerce &amp; Industry (FICCI)</p> <p>(e) Associated Chambers of Commerce of India (ASSOCHAM)</p> <p>(f) Coal Consumers Association</p> <p>(g) Bharat Chamber of Commerce</p> <p>(h) Indo-German Chamber of Commerce</p> <p>(i) Indo-Canadian Chamber of Commerce</p>
<b>2</b>	<p><b>Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)</b></p> <p>The Company doesn't engage in any form of lobbying activities. Advocacy is in place to enhance competitiveness, effectiveness and positively contribute to the development of the Power sector, which are energy security, governance and administration, enhancing competition and transparency in power sector, structural changes for facilitating capacity addition, overcoming coal related challenges, electricity distribution reforms and promotion of renewable energy.</p>
<b>Principle 8</b>	<b>Businesses should support inclusive growth and equitable development.</b>
<b>1</b>	<p><b>Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.</b></p> <p>Yes, the Company has specific programs / initiatives / projects in pursuance of its Corporate Social Responsibility (CSR) policy. The Company has carried out CSR projects like organized cleft surgeries for cleft-affected children, setting up medical screening camps in small towns and villages, offering referrals to tertiary healthcare centres and has provided aid to the Leprosy Colony Development Programme in its licensed area of the Asansol subdivision of the Burdwan district. The Company has stretched out their helping hand towards empowering women and maintaining gender equality. It has also executed capacity development and self-help training programmes in Asansol and adjoining areas.</p>
<b>2</b>	<p><b>Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?</b></p> <p>The Company has devised various programmes both through in-house teams, as well as in cooperation with local bodies and external NGOs and Government Institutions.</p>
<b>3</b>	<p><b>Have you done any impact assessment of your initiative?</b></p> <p>Yes. We continuously seek feedbacks from the local communities to understand the impact of our initiatives through visits by its CSR teams on a periodic basis, by making enquiries from local beneficiaries and authorities.</p>
<b>4</b>	<p><b>What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?</b></p> <p>The Company conducts CSR activities regularly duly recommended by the CSR Committee and approved by the Board of Directors. The amount spent for the last two consecutive years for such projects was ₹ 32.36 lakhs in the FY 2015-16 and ₹ 63.88 lakhs in the FY 2016-17.</p>
<b>5</b>	<p><b>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</b></p> <p>Yes, the Company follows participatory approach in selection of CSR initiatives, all the trainings, awareness programs and other activities like educational material distribution, building of toilets, placing water tank etc. have been monitored by our in-house representative in person and surveys have been conducted at a regular interval to identify the needs of the community, required modifications in ongoing initiatives implementation and assess project outcomes, this helps in fostering ownership amongst local communities in collaboration with the local stakeholders and decision makers.</p>

**Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

- 1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.**  
There were no pending complaints.
- 2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**  
The Company is in the business of generating, transmitting and distributing electricity. As electricity being the product, it requires utmost safety in handling and precautions while using, the Company has displayed safety signage at prominent locations including the substations and Customer Relations Centres. In addition, the Company is also creating safety awareness among consumers through its website.
- 3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**  
There are no cases pending with regard to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March, 2017.
- 4 Did your Company carry out any consumer survey/ consumer satisfaction trends?**  
Yes, a Consumer Satisfaction Survey is carried out by the Company every year.

On behalf of the Board,

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman

## ANNEXURE VIII

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2016 –17**

In accordance with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) read with the disclosure requirements relating to the Corporate Governance Report contained in Schedule V to the Listing Regulations, the details of compliance by the Company with the norms on Corporate Governance are as follows:

**COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company is committed to setting high standards of corporate governance and is guided by the core principals of transparency, accountability, compliances and ethical values. Good Corporate Governance implies optimum utilisation of resources and ethical behaviour of the enterprise so as to promote the investors’ trust in the Company and maximise stakeholders’ value.

The Company’s philosophy is to develop the desired framework and institutionalise its spirit for enabling a sustainable value creation. This will lay the foundation for further development of superior governance practices, which are vital for growth of the business and for furthering the interest of all stakeholders in the best possible manner.

**BOARD OF DIRECTORS**

The Board of the Company consists of an appropriate combination of Executive & Non-Executive Directors. As on 31st March, 2017, the Board had a total strength of 10 (ten)

Directors, with Independent Directors forming majority. Of the 10 (ten) Directors, 3 (three) were Non-Executive Non-Independent Directors, 1 (one) was Whole-time Director and 6 (six) were Independent Directors, including 1 (one) Woman Director. The Board is headed by Shri Hemant Kanoria, Non-Executive Non-Independent Director. The Non-Executive Directors including Independent Directors represent an optimum blend of professionalism, knowledge and experience and impart balance to the Board processes by bringing independent judgement. They act as a catalyst in fostering growth and play a major role in implementing best Corporate Governance practices. The composition of the Board is in conformity with the provisions of Companies Act, 2013 (hereinafter referred to as “Act”) and the Listing Regulations.

As per declarations received by the Company, none of the Directors are related to each other, except Shri Hemant Kanoria and Shri Sunil Kanoria who are related as brothers. None of the Directors of the Company hold any equity shares / convertible instruments in the Company.

Resume and other information regarding the Directors seeking appointment / re-appointment as required in terms of Listing Regulations forms part of the Notice convening the 97th Annual General Meeting.

The Board of Directors of the Company met 5 (five) times during the financial year 2016-17 on 14th May, 2016, 5th August, 2016, 10th September, 2016, 6th December, 2016 and 7th February, 2017. The gap between two Board Meetings did not exceed one hundred and twenty days. Necessary quorum was present at all the Meetings.

**The details of composition of the Board (including category of Directors), their attendance at Board Meetings during the financial year 2016-17 and at the last Annual General Meeting held on 10th September, 2016 and the number of other directorship(s) and Board Committees’ Membership(s)/Chairmanship(s) are as follows:**

Name of the Director	Category	No. of Board Meetings attended	Attendance at the last AGM	No. of Other Directorships*	Other Committee Positions**	
					As Chairman	As Member
Shri Hemant Kanoria	Non-Executive Non - Independent Chairman	5	Yes	2	-	1
Shri Sunil Kanoria	Non-Executive Non-Independent	3	No	4	1	2
Shri Jyoti Kumar Poddar	Non-Executive Non-Independent	5	Yes	3	-	-
Shri Asok Kumar Goswami	Executive	5	Yes	5	-	1
Shri Debi Prasad Patra	Non-Executive Independent	4	Yes	2	-	-

Name of the Director	Category	No. of Board Meetings attended	Attendance at the last AGM	No. of Other Directorships*	Other Committee Positions**	
					As Chairman	As Member
Shri Nand Gopal Khaitan	Non-Executive Independent	5	Yes	6	3	4
Shri Amit Kiran Deb	Non-Executive Independent	5	Yes	6	3	2
Shri Tantra Narayan Thakur	Non-Executive Independent	4	Yes	7	2	4
Shri S. Sundarshan	Non-Executive Independent	4	Yes	6	-	7
Smt. Dipali Khanna	Non-Executive Independent	4	Yes	2	-	-

\* Excluding private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and alternate directorships

\*\* Includes only positions held in Audit Committee and Stakeholders' Grievance Committee in other Indian public limited companies

### Independent Directors

All the Independent Directors on the Board fulfill the criteria of independence as specified under Regulation 16 of the Listing Regulations and Section 149 of the Act. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where the Director is serving as a Whole-time Director in any listed company, such Director is not serving as an Independent Director in more than three listed companies. The maximum tenure of the Independent Directors is in compliance with the Act. The terms and conditions of appointment of the Independent Directors are disclosed on Company's website [www.indiapower.com](http://www.indiapower.com).

### Familiarisation Programme

In terms of Regulation 25(7) of the Listing Regulations, the Company is required to conduct familiarisation programmes for Independent Directors to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of familiarisation programmes of Independent Directors are put up on the Company's Website at the link: [http://www.indiapower.com/pdf/IPCL\\_Directors\\_Familiarisation\\_Programme.pdf](http://www.indiapower.com/pdf/IPCL_Directors_Familiarisation_Programme.pdf).

### Code of Conduct

In terms of Regulation 17(5) of the Listing Regulations, the Company has a Code of Conduct laid down by the Board for all the Board Members and Senior Management Personnel of the Company. The Board Members and Senior Management Personnel have affirmed compliance with this Code in terms of Regulation 26(3) of the Listing Regulations. A declaration to this effect for the financial year 2016-17 from the Chief Executive Officer of the Company is annexed to this

Report. The said Code is available on the Company's website [www.indiapower.com](http://www.indiapower.com).

### COMMITTEES OF THE BOARD

As on 31st March, 2017, the Company had 6 (six) board level Committees constituted under formal approval of the Board for better governance and accountability and to deal with specific areas/concerns within the terms of reference of the respective Committees that need a closer view. All observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval. The Committees of the Board are detailed hereunder:

#### AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee constituted in terms of Regulation 18 of the Listing Regulations and Section 177 of the Act. The Audit Committee acts as a link between the management, the statutory auditors, internal auditors, cost auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.

#### Terms of reference

The broad terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 read with Part C of Schedule II to the Listing Regulations and Section 177 of the Act.

The brief description of the terms of reference of the Audit Committee includes inter alia overseeing the financial reporting process, review of financial statements, evaluation of the internal financial systems, review of internal audit reports, recommending appointment & remuneration of Auditors to the Board, to grant approval for related party transactions and to review adequacy of internal control

systems & internal audit function and other matters as specified under Regulation 18 and Section 177 of the Act.

### Composition

As on 31st March, 2017, the Audit Committee comprised of 6 (six) Directors, out of which 4 (four) Directors, including the Chairperson were Independent Directors. The Composition of the Committee is detailed below:

Name of the Members	Category
Shri Amit Kiran Deb, Chairperson	Non-Executive Independent
Shri Sunil Kanoria	Non-Executive Non - Independent
Shri Jyoti Kumar Poddar	Non-Executive Non - Independent
Shri Nand Gopal Khaitan	Non-Executive Independent
Shri Debi Prasad Patra	Non-Executive Independent
Shri S. Sundareshan	Non-Executive Independent

As per the requirement of Regulation 18 of Listing Regulations and Section 177 of the Act, all members of the Audit Committee are financially literate with at least one member having expertise in accounting or related financial management expertise. The Chairperson of the Audit Committee attended the Annual General Meeting of the Company held on 10th September, 2016 to answer shareholder queries.

The Audit Committee Meetings are also attended by the Chief Executive Officer, Chief Financial Officer and other Executives of the Company as invitees. The Representatives of Statutory Auditors, Internal Auditors and Cost Auditors also attended the meetings as and when required. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

### Meetings and Attendance of Members at the Audit Committee Meetings

During the year 2016-17, 5 (five) Audit Committee Meetings were held on 14th May, 2016, 5th August, 2016, 10th September, 2016, 6th December, 2016 and 7th February, 2017. The Audit Committee meet at least four times in a year and the gap between any two consecutive meetings did not exceed one hundred and twenty days. Requisite quorum was present at all the Meeting.

The attendance of the Members at these meetings was as follows:

Name of the Members	Meetings Attended
Shri Amit Kiran Deb, Chairperson	5
Shri Sunil Kanoria	3
Shri Jyoti Kumar Poddar	5
Shri Nand Gopal Khaitan	5
Shri Debi Prasad Patra	4
Shri S. Sundareshan	4

### NOMINATION & REMUNERATION COMMITTEE

In terms of Regulation 19 of Listing Regulations and Section 178 of the Act, the Company has a Nomination & Remuneration Committee duly constituted under formal approval of the Board.

### Terms of reference

The broad terms of reference of the Nomination & Remuneration Committee are in conformity with the requirements of Regulation 19 read with Part D of Schedule II to the Listing Regulations and Section 178 of the Act.

The broad terms of reference of the Committee includes inter alia the following:

- i) Formulate criteria for determining qualifications, positive attributes and independence of Directors and oversee the succession management process for the Board and Senior Management Employees.
- ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.
- iii) Formulate a policy relating to remuneration for the Directors, Key Managerial Personnel and also Senior Management Employees.
- iv) Support the Board in evaluation of performance of all the Directors, Committees and the Board as a whole.
- v) Administration of Employee Stock Option Scheme (ESOS), if any.

### Composition

As on 31st March, 2017, the Committee comprised of 5 (five) Non – Executive Directors, out of which 3 (three) Directors, including the Chairperson were Independent Directors. The Composition of the Committee is detailed below:

Name of the Members	Category
Shri Nand Gopal Khaitan, Chairperson	Non-Executive Independent
Shri Hemant Kanoria	Non-Executive Non - Independent
Shri Jyoti Kumar Poddar	Non-Executive Non - Independent
Shri Amit Kiran Deb	Non-Executive Independent
Shri Debi Prasad Patra	Non-Executive Independent

### Meetings and Attendance of Members at the Nomination & Remuneration Committee Meetings

During the financial year 2016-17, 2 (two) meetings of the Nomination & Remuneration Committee were held on 14th May, 2016 and 6th December, 2016.

The attendance of the Members at these meetings was as follows:

Name of the Members	Meetings Attended
Shri Nand Gopal Khaitan, Chairperson	2
Shri Hemant Kanoria	2
Shri Jyoti Kumar Poddar	2
Shri Amit Kiran Deb	2
Shri Debi Prasad Patra	2

### Performance evaluation criteria of Independent Directors

Pursuant to the provisions of Section 178 of the Act and Regulation 17(10) of Listing Regulations, the Nomination & Remuneration Committee and the Board has carried out the performance evaluation of the Board, the Directors individually (including Independent Directors), the Chairperson of the Company and the working of the Committees of the Board.

The criteria used for evaluation of the performance of Independent Directors includes inter alia attendance of the Directors at Board / Committee Meetings, participation and contribution at the meetings, guidance / support provided by

the Directors to the management outside Board / Committee Meetings, application of independent judgement while taking decisions at Board / Committee Meetings, integrity and maintenance of confidentiality.

### Remuneration Policy

The Company has a Nomination and Remuneration Policy and a Policy on Board Diversity as recommended by the Nomination & Remuneration Committee and duly approved and adopted by the Board of Directors. The Nomination & Remuneration Policy is annexed to the Board's Report. Further the Policies are also available on the Company's website at the link: [http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf).

### Remuneration to Non-Executive Directors

The Non-Executive Directors do not have any material pecuniary relationship/ transactions with the Company in their personal capacity other than Commission payable to them as determined by the Board for each year based on the recommendation of the Nomination & Remuneration Committee (not exceeding the limits prescribed under the Act), pursuant to the approval granted by the Members of the Company at the Annual General Meeting held on 13th September, 2014 and Sitting Fees for attending meetings of the Board and the Committees thereof (at present, paid at the rate of ₹ 25,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of the Committees thereof). None of the Directors of the Company hold any equity shares / convertible instruments in the Company.

### Details of Remuneration paid/payable to Non – Executive Directors

(₹ in lakhs)

Name of the Director	Sitting Fees paid / payable for attending meetings of the Board and Committees thereof held during the year 2016-17	Commission for the year 2015-16 paid in 2016-17	Total (Excluding service tax)
Shri Hemant Kanoria	2.85	1.00	3.85
Shri Sunil Kanoria	1.25	1.00	2.25
Shri Jyoti Kumar Poddar	3.35	6.00	9.35
Shri Nand Gopal Khaitan*	1.95	6.00	7.95
Shri Debi Prasad Patra	1.90	6.00	7.90
Shri Amit Kiran Deb	2.25	6.00	8.25
Shri Tantra Narayan Thakur	1.20	6.00	7.20
Shri S. Sundareshan	1.40	6.00	7.40
Smt. Dipali Khanna	1.00	6.00	7.00
<b>Total</b>	<b>17.15</b>	<b>44.00</b>	<b>61.15</b>

\*Khaitan & Co., Solicitor of the Company of which Shri Nand Gopal Khaitan is a Partner, rendered professional services to the Company on receipt of fee.

### Remuneration to the Executive Director

Shri Asok Kumar Goswami, Whole-time Director receives remuneration from the Company. The remuneration of the Whole-time Director is broadly divided into fixed and variable component. The fixed compensation comprises of salary, allowances and perquisites. Appointment of Whole-time Director is terminable by a notice of 90 (ninety) days

or salary in lieu thereof. The Company does not have any scheme for grant of Stock Options to its Directors. The terms of appointment of the Whole-time Director does not carry any performance linked incentive. The details of the remuneration paid to Shri Asok Kumar Goswami during the financial year 2016 – 17, are given in the extract of Annual Return in Form MGT – 9 attached to the Board's Report.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee constituted under the nomenclature "Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee" in conformity with the provisions of Act and Regulation 20 of Listing Regulations. The Committee deals with various matters relating to satisfactory redressal of shareholders and investors' grievances and recommends measures for overall improvement in the quality of investor services.

#### Composition, Meetings and Attendance of Members of Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee

As on 31st March, 2017, the Committee comprised of 3 (three) Directors. The said Committee met once during the year 2016-17 on 7th February, 2017.

The Composition of the Committee and the attendance of the Members at the Meeting are detailed below:

Name of the Members	Category	Meetings Attended
Shri Hemant Kanoria, Chairperson	Non-Executive Non - Independent	1
Shri Jyoti Kumar Poddar	Non-Executive Non - Independent	1
Shri Debi Prasad Patra	Non-Executive Independent	1

#### Compliance Officer

Shri Prashant Kapoor, Company Secretary of the Company has been designated as the Compliance Officer of the Company.

#### Shareholders' Complaints

During the year under review, no complaint was received from any shareholder of the Company. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending as on 31st March, 2017. All requests were processed within 30 days during the year. No complaints are pending to be resolved as per the data available on SCORES as on 31st March, 2017.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted a CSR Committee in terms of the provisions of Section 135 of the Act. The Committee is responsible to formulate and recommend to the Board, the CSR Policy and review the same from time-to-time; ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget and ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

#### Composition, Meetings and Attendance of Members of Corporate Social Responsibility Committee

As on 31st March, 2017, the Committee comprised of 3 (three) Directors. The said Committee met once during the year 2016-17 on 5th August, 2016.

The Composition of the Committee and the attendance of the Members at the Meeting are detailed below:

Name of the Members	Category	Meetings Attended
Shri Hemant Kanoria, Chairperson	Non-Executive Non - Independent	1
Shri Jyoti Kumar Poddar	Non-Executive Non - Independent	1
Shri Amit Kiran Deb	Non-Executive Independent	1

### RISK MANAGEMENT COMMITTEE

The Company has a risk management framework to identify, monitor, mitigate and minimise risks. The Company has a Risk Management Committee duly constituted under the formal approval of the Board. As on 31st March, 2017, the Committee comprised of 6 (six) Members, Shri Hemant Kanoria, Shri Jyoti Kumar Poddar, Shri Debi Prasad Patra, Shri Amit Kiran Deb, Shri Asok Kumar Goswami as Members and Shri Tantra Narayan Thakur as Chairperson. Shri Shrirang B Karandikar, Chief Executive Officer and Shri Argha Ghosh, VP (Internal Audit & Risk) are permanent invitee to the Committee.

The objectives and scope of the Risk Management Committee includes inter alia identification of various risk relating to business; assessing and classifying the risk associated with the business; preparing mitigation plans to minimise risk and monitoring the same. The Management Discussion and Analysis Report sets out the various risks identified and the mitigation plans thereof.

During the financial year 2016-17, 2 (two) meetings of the Risk Management Committee were held on 10th September, 2016 and 7th February, 2017. The Attendance of the Members at such Meetings is stated below:

Name of the Members	Meetings Attended
Shri Tantra Narayan Thakur, Chairperson	2
Shri Hemant Kanoria	2
Shri Jyoti Kumar Poddar	2
Shri Amit Kiran Deb	2
Shri Debi Prasad Patra	2
Shri Asok Kumar Goswami	2

### COMMITTEE OF THE BOARD OF DIRECTORS

The Company has a Committee of Directors comprising of Shri Hemant Kanoria as Chairperson and Shri Sunil Kanoria, Shri Jyoti Kumar Poddar and Shri Asok Kumar Goswami as Members with a view to have a more focused attention on various facets of business and for better accountability particularly to monitor operation of the generation plants and distribution business and also review the on-going capital projects.

The Committee met 12 (twelve) times during the year 2016-17 on 14th May, 2016; 6th June, 2016; 26th July, 2016; 18th August, 2016; 30th August, 2016; 21st October, 2016; 16th

November, 2016; 6th December, 2016; 20th December, 2016; 21st January, 2017; 28th February, 2017 and 15th March, 2017.

The attendance of the Members at the Meetings is detailed below:

Name of the Member	Meetings Attended
Shri Hemant Kanoria, Chairperson	11
Shri Jyoti Kumar Poddar	11
Shri Sunil Kanoria	2
Shri Asok Kumar Goswami	12

### GENERAL BODY MEETINGS

#### Particulars of Annual General Meetings held in last three years:

AGM	Year	Location	Date	Time
94th	2013-2014	Registered Office Plot X1 - 2 & 3, Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	13th September, 2014 (Saturday)	11:00 a.m.
95th	2014-2015	Registered Office Plot X1 - 2 & 3, Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	11th September, 2015 (Saturday)	11:00 a.m.
96th	2015-2016	Registered Office Plot X1 - 2 & 3, Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	10th September, 2016 (Saturday)	11:30 a.m.

#### Particulars of Special Resolutions passed at the last three Annual General Meetings:

AGM	Year	Particulars of Special Resolution	Date	Time
94th	2013-2014	Borrowing of monies in excess of the prescribed limit in terms of provisions of Section 180(1)(c) of the Companies Act, 2013. Creation of Charge/Mortgage/Hypothecation in terms of provisions of Section 180(1)(a) of the Companies Act, 2013.	13th September, 2014 (Saturday)	11:00 a.m.
95th	2014-2015	Appointment of Shri Asok Kumar Goswami (holding DIN 03331661) as the Whole-time Director of the Company.	11th September, 2015 (Saturday)	11:00 a.m.
96th	2015-2016	Creation of Charge/Mortgage /Hypothecation in terms of provisions of Section 180(1)(a) of the Companies Act, 2013. Investment of the Company in excess of the prescribed limit in terms of the provisions of Section 186 (2) of the Companies Act, 2013. Variation in remuneration of Shri Asok Kumar Goswami (holding DIN 03331661) the Whole-time Director. Issue and allotment of secured and / or unsecured, listed and / or unlisted Non-Convertible Debentures and / or other debt securities, including Bonds, Commercial Paper, etc., on private placement basis.	10th September, 2016 (Saturday)	11:30 a.m.

#### Postal Ballot Exercise:

No special resolution was passed by the Company through Postal Ballot during the year 2016-17 and no special resolution(s) is proposed to be conducted through Postal Ballot.

#### MEANS OF COMMUNICATION

The quarterly unaudited financial results and annual audited financial results of the Company are disseminated to the Stock Exchanges where the shares of the Company are listed, immediately after the conclusion of the Board Meetings

in which financial results are approved. These results are displayed on the website of the Company [www.indiapower.com](http://www.indiapower.com) and are widely published in prominent newspapers viz, Financial Express and Aajkaal.

Official news is also displayed on the website of the Company. Presentations made to institutional investors / analysts, if any, are also uploaded on the Company's website.

The Company will be sending soft copies of the Annual Report for the financial year 2016-17 to those shareholders whose email IDs are registered with the Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the "Green Initiative" an initiative taken by the Ministry of Corporate Affairs.

## DISCLOSURES

### Related Party Transactions

Details of Related Party Transactions alongwith relationship as are required to be disclosed under Listing Regulations and Ind AS 24 have been furnished in Note No. 46 to the Standalone Financial Statements of for the year ended 31st March, 2017.

During the year, the Company has not entered into any transaction with the related parties which are material in nature. Adequate care was taken to ensure that there is no potential conflict of interest in any related party transactions. All the related party transactions are entered into by the Company on arm's length basis and in ordinary course of business with the approval of the Audit Committee.

Statement of all related party transactions are presented before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on dealing with Related Party Transaction is placed on the Company's Website at the link: [http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf).

### Legal Compliances

The Board periodically reviews compliance reports of all laws applicable to the Company. Status of compliances and steps taken to rectify non-compliances, if any, are placed before the Board of Directors at its meetings.

There were no instances of material non-compliances related to capital markets during the year under review. However,

in relation to the compliance by listed companies with the requirement of Minimum Public Shareholding (hereinafter referred to as "MPS"), Securities and Exchange Board of India (hereinafter referred to as "SEBI") vide its interim order dated 4th June, 2013 has, inter alia, prohibited Promoters/ Promoters Group and the Directors of the Company from (i) buying, selling or otherwise dealing in securities of the Company, either directly or indirectly, in any manner whatsoever, except for the purpose of complying with MPS Requirement, and (ii) holding any new position as Director in any listed company till such time the Company complies with the MPS requirement.

The Company has represented to SEBI that it has complied with the MPS norms pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble Calcutta High Court vide its Order dated 17th April, 2013. Pursuant to the provisions of the aforesaid Scheme, 24.69% equity shares in the Company were transferred by erstwhile India Power Corporation Limited to an Independent Trust known as "Power Trust" which as per the Scheme was treated as "Public" holding. Accordingly, the Public Shareholding in the Company increased from 7% to 31.69% which was in compliance with MPS Requirement as prescribed by SEBI.

### Whistle Blower Policy

The Company has established a Vigil Mechanism that intends to, through the Whistle Blower Policy, encourage and enable the Directors and Employees of the Company to disclose their concerns and grievances on suspected unethical behaviour, improper / illegal practices and wrongful conduct taking place in the Company. The Company provides necessary safeguards through this Policy to all Whistle Blowers for making protected disclosures in good faith.

Your Company hereby affirms that no complaints were received during the year under review and that no person has been denied access to the Chairperson of the Audit Committee.

### Material Subsidiary Policy

The Company has a Policy for determining Material Subsidiary in terms of the provisions of the Listing Regulations, which is disclosed on the Company's Website at the link: [http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf). The minutes of the meetings of the Board of Directors of the unlisted Subsidiary Companies are placed at the meeting of the Board of Directors of the Company. The Audit Committee of the Company also reviews the financial statements, in particular, the investments made by the unlisted Subsidiary Companies.

### Policy for determining materiality for Disclosure

Pursuant to Regulation 30 of the Listing Regulations, the Company has adopted a Policy for determination of material events or information in order to make prompt disclosure of material events or information to the Stock Exchanges in the interest of investors. The Policy is available on the Company's Website at the link: [http://www.indiapower.com/pdf/Policies\\_website.pdf](http://www.indiapower.com/pdf/Policies_website.pdf).

### Compliance with all the mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company as prescribed in the Listing Regulations. Additionally, the Company has complied with the following non-mandatory or discretionary requirements:

### Shareholder rights

Since the quarterly, half-yearly and annual financial results of the Company are published in newspapers and regularly hosted on the Company's website, these are not sent individually to the shareholders of the Company.

### Audit Qualification

Company's standalone financial statement for the financial year 2016 – 17 does not contain any audit qualifications. The

Auditors' Report to the shareholders on the consolidated financial statements of your Company for the year ended 31st March, 2017 contains a qualification with regard to non-consolidation of accounts of Meenakshi Energy Limited, a Subsidiary of the Company.

### Reporting of Internal Auditors

The Internal Auditors of the Company submits quarterly reports on their audit observations to the Audit Committee.

### CEO/CFO Certification

Shri Shirang B Karandikar, Chief Executive Officer and Shri Sushil Kumar Agarwal, Chief Financial Officer of the Company have certified to the Board of Directors inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2017. They also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations.

### Disclosure of Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting	Date & Time: Saturday, 12th August, 2017 at 11:30 A.M. Venue: REGISTERED OFFICE: Plot X1 - 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata- 700 091.
2. Financial Year	1st April to 31st March
3. Book Closure Date	Monday, 7th August, 2017 to Saturday, 12th August, 2017 (both days inclusive)
4. Dividend Payment Date	Dividend @ ₹ 0.05 per share will be dispatched on or after 16th August, 2017.
5. Listing on Stock Exchanges	The Equity Shares of the Company are presently listed on the following Stock Exchanges: <b>The Calcutta Stock Exchange Ltd. (CSE)</b> 7, Lyons Range, Kolkata- 700 001 <b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai- 400 051 <b>Metropolitan Stock Exchange of India Ltd. (MSEI)</b> Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098 Annual Listing fees for the year 2017-18 have been paid to all the above mentioned Stock Exchanges and there is no fee outstanding as on date. The Debt Securities of the Company are listed on the Wholesale Debt Market segment of NSE.

6.	Stock Code	CSE NSE MSEI	10014021 DPSCLTD DPSCLTD
7.	Market Price Data	Shares of the Company are listed with CSE, NSE & MSEI. The Shares of the Company are traded only at NSE and the monthly movement of share price during the year at NSE is summarised below:	

Months	NSE		Volume ₹ in Lakhs
	High (₹)	Low (₹)	
April, 2016	18.00	15.25	40.15
May, 2016	20.00	16.25	59.41
June, 2016	28.90	19.50	476.18
July, 2016	33.75	25.30	1079.75
August, 2016	37.90	25.00	394.40
September, 2016	41.05	30.75	930.29
October, 2016	39.50	33.10	271.35
November, 2016	39.35	29.20	264.12
December, 2016	36.50	30.10	112.49
January, 2017	48.60	36.25	339.45
February, 2017	44.50	37.25	154.56
March, 2017	44.80	38.80	227.34

8.	Performance in comparison to broad-based indices such as BSE Sensex etc.	Market Price Data and Comparison of the share prices with BSE Sensex is not given, as the shares of the Company are not listed on BSE. Shares of the Company are being traded only at NSE though it is also listed with CSE & MSEI.
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Particulars	NIFTY	DPSC LTD
01-Apr-16	7713.05	16.70
31-Mar-17	9173.75	44.50
Change (%)	18.94	166.47

9.	Registrar & Share Transfer Agents	C B Management Services (P) Ltd. P-22, Bondel Road, Kolkata- 700 019 Phone: (033) 4011 6700/6711/6718/6723; Fax: (033) 4011-6739; e-mail: rta@cbmsl.com
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10.	Share Transfer System	Requests for transfer of shares in physical form should be lodged with the Company's Registrar and Share Transfer Agent, C B Management Services (P) Ltd., Kolkata. The transfer requests are processed within 14 days from the date of such request, subject to the documents being valid and complete in all respects. Based on a SEBI directive, the equity shares of the Company are permitted to be traded only in dematerialised form.
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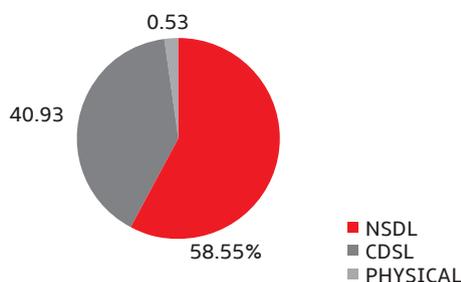
#### 11. Shareholding Pattern and Distribution as on 31st March, 2017

I. Shareholding Pattern:			
Category	No. of Share(s) held	Percentage (%) to Total	
A. Promoter(s) Holding	57,93,31,667	59.49	
B. Public Share Holding			
Bank/ Financial Institutions/ Insurance companies	11,96,230	0.12	
Bodies Corporate	33,95,520	0.35	
Non-Resident Indians	1,55,251	0.02	
Indian Public	38,97,10,972	40.02	
<b>Sub Total</b>	<b>39,44,57,973</b>	<b>40.51</b>	
<b>Grand Total</b>	<b>97,37,89,640</b>	<b>100.00</b>	

II. Distribution of Shareholding:

Range		Number of Shares		Number of Shareholders	
From	To	Total	%	Total	%
1	500	2,09,469	0.02	1526	62.88
501	1000	1,74,545	0.02	201	8.28
1001	2000	2,74,483	0.03	182	7.50
2001	3000	2,48,583	0.02	98	4.04
3001	4000	1,02,588	0.01	28	1.15
4001	5000	2,65,743	0.03	56	2.31
5001	10000	6,85,455	0.07	89	3.67
10001	50000	37,86,741	0.39	163	6.71
50001	100000	28,53,647	0.29	37	1.52
100001	And Above	96,51,88,386	99.12	47	1.94
<b>Total</b>		<b>97,37,89,640</b>	<b>100.00</b>	<b>2427</b>	<b>100.00</b>

12 Dematerialisation of Shares



The Company has entered into arrangements with National Securities Depository Ltd. and Central Depository Services (India) Ltd. whereby shareholders have an option to dematerialise their shares with either of the Depositories.

96,87,40,505 equity shares representing 99.48% of the total shares are in dematerialised form as on 31st March, 2017.

DEMAT ISIN Number: INE360C01024

13 Outstanding GDRs /ADRs /Warrants or any Convertible Instruments, conversions date and likely impact on equity

Not Applicable

14. Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

15. Plant Location

Dishergarh Power Station  
Sanctoria, P.O.: Dishergarh  
Burdwan – 713 333  
Ph: 0341 6600 452  
Fax: 0341 6600 464

16. Address for Correspondence

The Company Secretary  
India Power Corporation Limited.  
Plot X 1 - 2 & 3, Block EP, Sector-V,  
Salt Lake City, Kolkata- 700 091.  
Ph: 033-6609 4308/09/10  
Fax: 033-2357 2452  
Website: www.indiapower.com  
E-mail: corporate@indiapower.com

On behalf of the Board,

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman

## DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

The Board of Directors and Senior Management Personnel of the Company have affirmed their compliance with the said Code. It is hereby declared that the Company has obtained from all the Board Members and Senior Management Personnel affirmation that they have complied with the said Code for the financial year 2016 -2017.

Kolkata  
29th May, 2017

**Shrirang B. Karandikar**  
Chief Executive Officer

## CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

**The Board of Directors,  
India Power Corporation Limited**

Dear Sir(s),

- A. We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit committee:
- (1) significant changes, if any, in internal control over financial reporting during the year under reference;
  - (2) significant changes, if any, in accounting policies during the year and disclosed in the notes to the financial statements; and
  - (3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over the financial reporting.

**Shrirang B. Karandikar**  
Chief Executive Officer

**Sushil Kumar Agarwal**  
Chief Financial Officer

Kolkata  
29th May, 2017

## **AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
**INDIA POWER CORPORATION LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by India Power Corporation Limited ('the Company'), for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

### **Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2017.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### **Restriction on use**

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:0301051E

**H.K. Verma**  
Partner  
Membership No: 055104

Kolkata  
29th May, 2017

## ANNEXURE IX

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of Energy:**

The Company has always been conscious about the need for conservation of energy and has been taking measures to this effect in all possible areas. During the year under review, various campaigns spreading awareness regarding the need for conservation of energy were organised in different parts of its license area to create awareness among consumers and employees.

**(a) Steps taken for conservation of energy****Distribution:**

- i) Feeder level energy accounting has already been implemented and identification of high loss feeders is being completed to minimise the loss figure to the desired level. Necessary arrangements for splitting of load of the feeders were also implemented.
- ii) 100% 11 kV feeder metering was completed facilitating accurate energy accounting for taking appropriate remedial measures in loss prone area. Implementation of AMR facility is also being planned at feeder level to monitor feeder loss with more accuracy.
- iii) Ring main facilities are being incorporated in our existing 11 kV network to increase the system reliability.
- iv) Shifting of Load has been carried out for reducing transformer/feeder losses.
- v) Feeder level capacitors are already installed in more than 85% of the feeders in the system to reduce feeder loss as well as to improve the PF.
- vi) Upgradation of existing 11 kV feeder to 33 kV to reduce the system loss and improving system reliability.
- vii) Energy audit of all our installed DTR for LT energy accounting will be carried out in this financial year.
- viii) Implementation of SCADA in our downstream 33/11 kV Sub-Station connected to JK Nagar 220 kV Sub-Station will be done within this financial year.

**Power Stations:**

- i) Replacement of old breakers with new breakers (Vacuum breaker type) to minimise the problem of tripping due to any sudden failure in the system and bring more reliability into the system as per operational requirements.
- ii) Modification of the Bottom Ash disposal system for better handling & cost reduction.

**(b) Steps taken by the Company for utilising alternate sources of energy**

The Company has 89% of capacity (in MW terms) through clean and green sources (Wind and Solar).

**(c) The capital investment on energy conservation equipments**

In the financial year 2016-17, we have installed H.T. capacitor banks on H.T. feeders in our licensed area. These capacitor banks will help us to improve the overall power factor of the system thus helping energy conservation.

**B. Technology Absorption:****I. Efforts made towards technology absorption:**

The Company considers Information Technology (IT) support as a key factor to its strategy for growth. During the year under review, the Company has continued its initiatives towards technology adoption in the following areas:

- i) Local Area Network (LAN) with fiber optic cabling for office automation and SAP implementation to integrate Operation & Maintenance, Material management, Financial management and HR management functions of the organisation;
- ii) IT support for energy accounting system to conduct energy audits;

**II. The benefits derived like product improvement, cost reduction, product development or import substitution:**

- i) Cost reduction.
- ii) Better availability, reliability and safety.
- iii) Conservation of Energy.

**III. Information regarding imported technology (Imported during last three years reckoned from the beginning of the financial year):**

- i) detail of technology imported;
- ii) the year of import;
- iii) whether the technology been fully absorbed;
- iv) if not fully absorbed, areas where the absorption not taken place, and the reasons thereof.  
Not Applicable.

**IV. Expenditure incurred on Research and Development**

The Company, as such, does not carry out any in-house Research & Development. However, for major activities of development, whenever contemplated in various areas of power generation and distribution, the expertise of Central Electricity Authority and National Productivity Council is obtained.

**C. Foreign Exchange Earnings and Outgo:**

Foreign Exchange Earned	:	Nil
Foreign Exchange used for travelling	:	₹ 1.39 lakhs
Expenditure in Foreign Currency during the year	:	Nil

On behalf of the Board,

Kolkata  
29th May, 2017

**Hemant Kanoria**  
Chairman

## ANNEXURE X

## FORM NO. MGT - 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

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

## I REGISTRATION AND OTHER DETAILS:

i)	CIN	L40105WB1919PLC003263
ii)	Registration Date	2nd July, 1919
iii)	Name of the Company	India Power Corporation Limited [formerly DPSC Limited]
iv)	Category / Sub-Category of the Company	Public Company - Limited by Shares
v)	Address of the Registered office and contact details	Plot X1- 2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091. Tel: 033 6609 4308/09/10; Fax: 033 23572452 Email: corporate@indiapower.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	C B Management Services (P) Limited P-22, Bondel Road, Kolkata -700019. Tel: 033 40116700/6711/6718; Fax: 033 22870263 Email: rta@cbmsl.com

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

[All the business activities contributing 10 % or more of the total turnover of the Company]

Name and Description of main products / services	NIC Code of the products / services*	% to total turnover of the Company#
Electricity Generation & Distribution	351	100

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

# On the basis of Gross Turnover

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	India Power Corporation Limited [Erstwhile] "Vishwakarma" 86C, Topsia Road (South), Kolkata-700046	U40101WB2003PLC097340	Holding	53.00	2(46)
2	India Power Corporation (Bodhgaya) Limited Plot X1- 2&3, Block-EP, Sector-V, Salt Lake, Kolkata -700091	U40109WB2013PLC197173	Subsidiary	100	2(87)(ii)
3	IPCL Pte Limited 30 CECIL Street #19-08, Prudential Tower Singapore (049712)	N.A.	Foreign Subsidiary	100	2(87)(ii)

SL. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	IPCL Power Trading Private Limited Plot X1- 2&3, Block-EP, Sector-V, Salt Lake, Kolkata -700091	U40109WB2011PTC157205	Subsidiary	99.81	2(87)(ii)
5	India Power Corporation (Haldia) Limited Plot X1- 2&3, 2nd Floor, Block-EP, Sector-V, Salt Lake, Kolkata -700091	U40105WB2008PLC125220	Subsidiary	59.95	2(87)(ii)
6	India Power Green Utility Private Limited [IPGUPL] Plot X1- 2&3, 2nd Floor, Block-EP, Sector-V, Salt Lake, Kolkata -700091	U40300WB2015PTC209048	Subsidiary	100	2(87)(ii)
7	Matsya Shipping & Ports Private Limited Plot X1- 2&3, 2nd Floor, Block-EP, Sector-V, Salt Lake Kolkata -700091	U61200WB2016PTC209859	Joint Venture	50	2(6)
8	India Uniper Power Services Private Limited Plot No. X-1, 2 & 3, Block-EP Sector V, Salt Lake City, Kolkata- 700091	U74999WB2016PTC216929	Subsidiary	50	2(87)(i)
9	Meenakshi Energy Limited 405, Saptagiri Towers, 1-10-75/1/1 to 6, Begumpet, Secunderabad, Hyderabad- 500016	U40101TG1996PLC054239	Subsidiary	95.07	2(87)(ii)
10	Edison Power Limited 11-15 Seaton Place, St. Helier Jersey, JE40QH	N.A.	Foreign Subsidiary	51% equity shares held by IPCL Pte Limited	2(87)(ii)
11	PL Sunrays Power Limited Punj Lloyd House, 17-18, Nehru Place, New Delhi - 110019	U40106DL2015PLC287432	Subsidiary	49% equity shares held by IPGUPL	2(87)(i)
12	PL Solar Renewable Limited Punj Lloyd House, 17-18, Nehru Place, New Delhi - 110019	U40300DL2015PLC287804	Subsidiary	49% equity shares held by IPGUPL	2(87)(i)

#### IV SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity):

##### i) Category- wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	665219568	-	665219568	68.31	579331667	-	579331667	59.49	(-)8.82
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>665219568</b>	<b>-</b>	<b>665219568</b>	<b>68.31</b>	<b>579331667</b>	<b>-</b>	<b>579331667</b>	<b>59.49</b>	<b>(-)8.82</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>665219568</b>	<b>-</b>	<b>665219568</b>	<b>68.31</b>	<b>579331667</b>	<b>-</b>	<b>579331667</b>	<b>59.49</b>	<b>(-)8.82</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	143750	1052480	1196230	0.12	143750	1052480	1196230	0.12	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>143750</b>	<b>1052480</b>	<b>1196230</b>	<b>0.12</b>	<b>143750</b>	<b>1052480</b>	<b>1196230</b>	<b>0.12</b>	<b>-</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>	<b>5265988</b>	<b>4600</b>	<b>5270588</b>	<b>0.54</b>	<b>3278286</b>	<b>4600</b>	<b>3282886</b>	<b>0.34</b>	<b>(-)0.20</b>
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	7306152	3095745	10401897	1.07	7639523	2957745	10597268	1.08	0.01
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	286669369	1034310	287703679	29.54	378079394	1034310	379113704	38.93	9.39

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others (specify)</b>									
i) NRI	198243	-	198243	0.02	155251	-	155251	0.02	-
ii) PSU	34500	-	34500	0.01	34500	-	34500	0.01	-
iii) CM/CC	3764935	-	3764935	0.39	78134	-	78134	0.01	(-)0.38
<b>Sub-Total (B)(2):</b>	<b>303239187</b>	<b>4134655</b>	<b>307373842</b>	<b>31.57</b>	<b>389265088</b>	<b>3996655</b>	<b>393261743</b>	<b>40.39</b>	<b>8.82</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>303382937</b>	<b>5187135</b>	<b>308570072</b>	<b>31.69</b>	<b>389408838</b>	<b>5049135</b>	<b>394457973</b>	<b>40.51</b>	<b>8.82</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>									
<b>Grand Total (A+B+C)</b>	<b>968602505</b>	<b>5187135</b>	<b>973789640</b>	<b>100.00</b>	<b>968740505</b>	<b>5049135</b>	<b>973789640</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in 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.	India Power Corporation Limited [Erstwhile]	665219568	68.31	40.00	516132374	53.00	40.00	(-)15.31
2	Aksara Commercial Private Ltd	-	-	-	63199293	6.49	-	6.49
	<b>Total</b>	<b>665219568</b>	<b>68.31</b>	<b>40.00</b>	<b>579331667</b>	<b>59.49</b>	<b>40.00</b>	<b>(-)8.82</b>

\* The term 'encumbrance' has the meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.

## iii) Change in Promoters' Shareholding

Sl. No.	Shareholders' Name	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
<b>1</b>	<b>India Power Corporation Limited [Erstwhile]</b>				
	At the beginning of the year	665219568	68.31		
	Datewise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
	Date Reason				
	30.03.2017 Transfer of shares pursuant to the Scheme of Arrangement and Amalgamation between India Power Corporation Limited and DPSC Limited sanctioned vide Order of Hon'ble High Court at Calcutta dated 17th April, 2013 read with the Order dated 27th January, 2017 of Hon'ble High Court at Calcutta	149087194	15.31	516132374	53.00
	At the end of the year			516132374	53.00
<b>2</b>	<b>Aksara Commercial Private Limited</b>				
	At the beginning of the year	-	-		
	Datewise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
	Date Reason				
	30.03.2017 Transfer of shares pursuant to the Order dated 27th January, 2017 of Hon'ble High Court at Calcutta	63199293	6.49	63199293	6.49
	At the end of the year			63199293	6.49

## iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Date	Reason	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
<b>1</b>	<b>Dipak Rudra</b>						
	At the beginning of the year			240428662	24.69		
	Increase / Decrease in Share holding during the year	30/03/2017	Transfer	63199293	6.49	177229369	18.20
		30/03/2017	Transfer	149087194	15.31	326316563	33.51
	At the end of the year					326316563	33.51
<b>2</b>	<b>Chandana Poddar</b>						
	At the beginning of the year			42827150	4.40		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year					42827150	4.40
<b>3</b>	<b>Aum Capital Market Pvt. Ltd.</b>						
	At the beginning of the year			3720990	0.38		
	Increase / Decrease in Shareholding during the year	01/04/2016	Buy	5000	0.00	3715990	0.38
		08/04/2016	Buy	33100	0.00	3749090	0.38
		15/04/2016	Buy	125000	0.01	3874090	0.40
		03/06/2016	Sale	211835	0.02	3662255	0.38
		08/07/2016	Sale	171526	0.02	3490729	0.36
		20/01/2017	Buy	50000	0.01	3540729	0.36
		24/03/2017	Sale	40000	0.00	3500729	0.36
	At the end of the year					3500729	0.36
<b>4</b>	<b>Jagdish Prasad Agarwala</b>						
	At the beginning of the year			-	-		
	Increase / Decrease in Shareholding during the year	15/07/2016	Buy	2000000	0.21	2000000	0.21
	At the end of the year					2000000	0.21
<b>5</b>	<b>Vandana Bhargawa</b>						
	At the beginning of the year			1600000	0.16		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year					1600000	0.16
<b>6</b>	<b>Infosoft Global Private Limited</b>						
	At the beginning of the year			1000000	0.10		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year					1000000	0.10
<b>7</b>	<b>Bank of India</b>						
	At the beginning of the year			766130	0.08		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year					766130	0.08
<b>8</b>	<b>Manju Jain</b>						
	At the beginning of the year			414000	0.04		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year					414000	0.04
<b>9</b>	<b>Rekha R Vora</b>						
	At the beginning of the year			391000	0.04		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year					391000	0.04

Sl. No.	For Each of the Top 10 Shareholders	Date	Reason	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
10	<b>Mrs. Rachel David*</b>						
	At the beginning of the year			381570	0.04		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year					381570	0.04
11	<b>Kiran Vyapar Ltd**</b>						
	At the beginning of the year			1300000	0.13		
	Increase / Decrease in Shareholding during the year	01/07/2016	Sale	1300000	0.13	0.00	0.00
	At the end of the year					-	-
12	<b>The Peria Karamalai Tea &amp; Produce Co. Ltd. **</b>						
	At the beginning of the year			650000	0.07		
	Increase / Decrease in Shareholding during the year	01/07/2016	Sale	650000	0.07	0.00	0.00
	At the end of the year					-	-
13	<b>Shri Parasram Holdings Pvt. Ltd **</b>						
	At the beginning of the year			600300	0.06		
	Increase / Decrease in Shareholding during the year	15/04/2016	Sale	305	0.00	599995	0.06
		22/04/2016	Sale	1308	0.00	598687	0.06
		29/04/2016	Sale	601	0.00	598086	0.06
		06/05/2016	Sale	27373	0.00	570713	0.06
		20/05/2016	Sale	6320	0.00	564393	0.06
		27/05/2016	Sale	3775	0.00	560618	0.06
		03/06/2016	Sale	33587	0.00	527031	0.05
		10/06/2016	Sale	62407	0.01	464624	0.05
		17/06/2016	Sale	33832	0.00	430792	0.04
		24/06/2016	Sale	3300	0.00	427492	0.04
		02/09/2016	Buy	4000	0.00	431492	0.04
		09/09/2016	Sale	4000	0.00	427492	0.04
		21/10/2016	Sale	1	0.00	427491	0.04
		28/10/2016	Sale	10004	0.00	417487	0.04
		04/11/2016	Sale	44977	0.00	372510	0.04
		11/11/2016	Buy	15487	0.00	387997	0.04
		18/11/2016	Buy	2869	0.00	390866	0.04
		02/12/2016	Buy	1012	0.00	391878	0.04
		16/12/2016	Buy	4537	0.00	396415	0.04
		06/01/2017	Sale	2285	0.00	394130	0.04
		13/01/2017	Sale	12627	0.00	381503	0.04
		20/01/2017	Sale	4387	0.00	377116	0.04
		27/01/2017	Sale	1010	0.00	376106	0.04
		03/02/2017	Sale	5894	0.00	370212	0.04
		10/02/2017	Sale	300	0.00	369912	0.04
		24/02/2017	Sale	2703	0.00	367209	0.04
		03/03/2017	Sale	137	0.00	367072	0.04
	At the end of the year					367072	0.04

\*Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2017.

\*\* During the year ceased to be in the list of top ten shareholders.

**v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Shareholding for each Director	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				
	Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	None of the Directors hold shares in the Company			
	At the end of the year				
Sl. No.	Shareholding for each Key Managerial Personnel	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				
	Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	None of the Key Managerial Personnel hold shares in the Company			
	At the end of the year				

**V INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in Lakhs)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	63,924.55	15,000.00	-	78,924.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	606.12	94.32	-	700.44
<b>Total (i+ii+iii)</b>	<b>64,530.67</b>	<b>15,094.32</b>	<b>-</b>	<b>79,624.99</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	4,500.97	-	-	4,500.97
Reduction	9,570.24	15,000.00	-	24,570.24
<b>Net Change</b>	<b>(5,069.27)</b>	<b>(15,000.00)</b>	<b>-</b>	<b>(20,069.27)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	58,855.28	-	-	58,855.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	479.95	-	-	479.95
<b>Total (i+ii+iii)</b>	<b>59,335.23</b>	<b>-</b>	<b>-</b>	<b>59,335.23</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SL. No.	Particulars of Remuneration	Shri Asok Kumar Goswami Whole-time Director	Total Amount
(₹ in Lakhs)			
1	<b>Gross Salary</b>		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28.59	28.59
(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 [Employer's Contribution to Provident Funds]	1.41	1.41
	<b>Total (A)</b>	<b>30.00</b>	<b>30.00</b>
	Ceiling as per the Act	5% of the net profit of the Company	

### B. Remuneration to the other Directors:

#### 1. Independent Directors

SL. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Amit Kiran Deb	Shri Debi Prasad Patra	Shri Nand Gopal Khaitan	Shri Tantra Narayan Thakur	Shri S Sundareshan	Smt. Dipali Khanna	
1	Fee for attending Board /Board Committee Meetings*	2.25	1.90	1.95	1.20	1.40	1.00	9.70
2	Commission*	6.00	6.00	6.00	6.00	6.00	6.00	36.00
3	Others, please specify	-	-	-	-	-	-	-
	<b>Total B (1)</b>	<b>8.25</b>	<b>7.90</b>	<b>7.95</b>	<b>7.20</b>	<b>7.40</b>	<b>7.00</b>	<b>45.70</b>

#### 2. Other Non Executive Directors

SL. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Hemant Kanoria	Shri Sunil Kanoria	Shri Jyoti Kumar Poddar	
1	Fee for attending Board/ Board Committee Meetings*	2.85	1.25	3.35	7.45
2	Commission*	1.00	1.00	6.00	8.00
3	Others, please specify	-	-	-	-
	<b>Total B (2)</b>	<b>3.85</b>	<b>2.25</b>	<b>9.35</b>	<b>15.45</b>
	<b>Total (B)= B(1)+ B(2)</b>				<b>61.15</b>
	<b>Total Managerial Remuneration [A+B]</b>				<b>91.15</b>
	Overall ceiling as per the Act	11% of the Net Profit of the Company			

\* Excluding Service Tax

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

(₹ in Lakhs)

SL. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Shri Shirirang B Karandikar Chief Executive Officer	Shri Laxmi Narayan Mandhana Chief Financial Officer*	Shri Sushil Kumar Agarwal Chief Financial Officer**	Shri Prashant Kapoor Company Secretary	
<b>1</b>	<b>Gross Salary</b>					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.93	25.67	20.74	30.22	<b>149.56</b>
(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	-	-	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-	-	-
<b>4</b>	<b>Commission</b>	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
<b>5</b>	<b>Others, please specify [Employer's Contribution to Provident Funds]</b>	<b>3.80</b>	<b>0.82</b>	<b>1.32</b>	<b>1.77</b>	<b>7.71</b>
	<b>Total</b>	<b>76.73</b>	<b>26.49</b>	<b>22.06</b>	<b>31.99</b>	<b>157.27</b>

\*Ceased w.e.f. 18-07-2016

\*\*Appointed w.e.f. 06-12-2016

**VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment			None		
Compounding					

On behalf of the Board,

Kolkata  
29th May, 2017**Hemant Kanoria**  
Chairman

# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
India Power Corporation Limited (formerly DPSC limited)

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of India Power Corporation Limited (formerly DPSC limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements.")

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements based on our audit.

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone 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 standalone 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 standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its Profit (financial performance including other comprehensive income) and its Cash Flows and the changes in equity for the year ended on that date.

# INDEPENDENT AUDITORS' REPORT

## EMPHASIS OF MATTER

Attention is invited to Note No 10.2 of the standalone Ind AS financial statements regarding the beneficial interest in Power Trust amounting to ₹ 81,878.04 lakhs, based on a professional expert opinion has been considered as financial asset. In absence of required details, the trust being an independent entity, value of said asset (beneficial interest) as considered has been taken based on the report of an independent firm of chartered accountant, appointed by the Power Trust, and the same has been relied for the purpose of these accounts and our opinion thereupon.

Our Opinion is not modified in respect of the said matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose 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), Cash Flow Statement and Statement of Changes in Equity dealt by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder;
- e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is

disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (Other than those already recognised in the accounts) having material impact on the financial position of the Company have been disclosed in the standalone Ind AS financial statements as required in terms of the accounting standards and provisions of the Companies Act, 2013: (Refer Note 43 of the standalone Ind AS financial statements)
  - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees existing on November 08, 2016) (SBN's) during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosure are in accordance with books of account maintained by the Company and as produced to us by the management. Refer Note No. 14.1 of the standalone Ind AS financial statement;

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

**H.K Verma**  
Partner  
Membership No: 055104

Place: Kolkata  
Date: 29th May, 2017

## INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED) 'ANNEXURE A' REFERRED TO IN OUR REPORT OF EVEN DATE

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the reporting period and
- no material discrepancies were noticed on such verification.
- (c) According to the information, explanations and representations provided to us and based on documents produced to us for our verification, in our opinion, except in the following cases, title deeds of immovable properties are held in the name of the Company. Lease deed has been taken as the basis for verification in respect of leasehold land as well as self-constructed building thereupon.

### Building

Total number of cases	Gross Block as at 31.03.2017 (₹ in Lacs)	Net Block as at 31.03.2017 (₹ in Lacs)	Remarks
12 (Twelve) cases	166.67	153.51	These building have been constructed on land owned by others (Refer Note 6.2 of the standalone Ind AS financial statements)

- ii. As explained to us the Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Act to the extent applicable, with respect to the loans and investments made, guarantees given and security provided.
- v. The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us and records of the Company examined by us, there are no undisputed

## 'ANNEXURE A' REFERRED TO IN OUR REPORT OF EVEN DATE

amounts payable in respect of above dues which were outstanding as at 31.03.2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, custom duty, excise duty and cess as applicable as at 31st March, 2017 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹in lakhs)	Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax and Purchase Tax	2.23	Financial Year 2004-2005	West Bengal Commissioner Taxes Appellate & Revisional Board
	VAT and Purchase Tax	6.63	Financial Year 2009-2010	West Bengal Commissioner Taxes Appellate & Revisional Board
Finance Act, 1994 (read with Service Tax Rules, 1994)	Service Tax	21.49	Financial Year 2008-2009 to 2012-2013	Commissioner of Service Tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- ix. The Company during the year has not raised monies by way of Initial Public Offer or Further Public Offer (including debt instruments). The Company has not raised term loans during the year.
- x. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.
- xi. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by provisions of section 197 read with schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and therefore provisions of Section 192 of the Act are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

H.K Verma  
Partner  
Place: Kolkata  
Date: 29th May, 2017

H.K Verma  
Partner  
Membership No: 055104

## **INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED) 'ANNEXURE B' REFERRED TO IN OUR REPORT OF EVEN DATE**

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

We have audited the internal financial controls over financial reporting of India Power Corporation Limited (formerly DPSC Limited) ("the Company") as at March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 standalone Ind AS 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on standalone Ind AS 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, have an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place: Kolkata  
Date: 29th May, 2017

**H.K Verma**  
Partner  
Membership No: 055104

# BALANCE SHEET

as at 31st March, 2017

Particulars	Note No.	(₹ in lakhs)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	6	34,219.54	36,542.27	38,156.59
(b) Capital work in progress		1,507.30	919.26	2,424.79
(c) Intangible assets	7	94.26	185.98	248.21
(d) Financial assets				
(i) Investments	8.1	32,249.14	60,454.84	31,777.27
(ii) Loans	9	804.09	2,080.50	369.89
(iii) Other financial assets	10	82,153.95	82,413.40	81,902.81
(e) Other non-current assets	11	5,113.55	3,107.89	6,702.18
		<b>156,141.83</b>	<b>185,704.14</b>	<b>161,581.74</b>
<b>2 Current assets</b>				
(a) Inventories	12	979.03	1,332.80	1,457.40
(b) Financial assets				
(i) Investments	8.2	-	40.93	38.20
(ii) Trade receivables	13	5,952.48	9,248.99	7,910.86
(iii) Cash and cash equivalents	14	782.82	1,302.64	996.15
(iv) Other bank balances	15	6,356.61	449.65	813.19
(v) Loans	16	6,969.90	2.76	-
(vi) Other financial assets	17	21,832.93	6,886.01	901.92
(c) Other current assets	18	585.76	1,067.95	1,267.65
		<b>43,459.53</b>	<b>20,331.73</b>	<b>13,385.37</b>
<b>3 Regulatory deferral account debit balances</b>	19(a)	<b>7,874.94</b>	<b>18,061.13</b>	<b>11,026.81</b>
<b>Total Assets</b>		<b>207,476.30</b>	<b>224,097.00</b>	<b>185,993.92</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital	20	9,737.90	9,737.90	9,737.90
(b) Other equity	21	96,208.00	92,244.85	88,863.69
(c) Share capital suspense account	5.1	6,041.43	6,041.43	6,041.43
		<b>111,987.33</b>	<b>108,024.18</b>	<b>104,643.02</b>
<b>LIABILITIES</b>				
<b>2 Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	22	43,458.70	62,359.74	38,828.34
(ii) Trade payables	23	3,219.33	2,872.09	2,648.97
(iii) Other financial liabilities	24	5,786.49	5,164.88	4,904.10
(b) Provisions	25	247.62	274.96	295.39
(c) Deferred tax liabilities (net)	26	4,771.07	3,955.50	3,531.17
(d) Other non-current liabilities	27	3,398.62	4,056.87	3,420.10
		<b>60,881.83</b>	<b>78,684.04</b>	<b>53,628.07</b>
<b>3 Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	28	11,329.29	17,429.13	11,783.06
(ii) Trade payables	29	7,169.09	7,214.72	6,689.83
(iii) Other financial liabilities	30	7,210.40	8,039.23	4,657.04
(b) Other current liabilities	31	2,593.16	2,724.92	2,769.46
(c) Provisions	32	1,314.09	1,291.43	1,168.93
(d) Current tax liabilities (net)		1,913.54	689.35	654.51
		<b>31,529.57</b>	<b>37,388.78</b>	<b>27,722.83</b>
<b>4 Regulatory deferral account credit balances</b>	19(b)	<b>3,077.57</b>	-	-
<b>Total Equity and Liabilities</b>		<b>207,476.30</b>	<b>224,097.00</b>	<b>185,993.92</b>

Significant Accounting Policies and other accompanying notes (1- 54) are an integral part of the financial statements.

As per our report on even date

For **Lodha & Co**  
Chartered Accountants

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

For and on behalf of the Board

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
<b>REVENUE</b>			
Revenue from operations	33	45,020.97	56,238.45
Other income	34	1,914.97	1,797.10
<b>Total income</b>		<b>46,935.94</b>	<b>58,035.55</b>
<b>EXPENSES</b>			
Cost of material consumed - coal consumption		1,189.49	1,652.90
Energy purchase	35	23,280.34	36,923.48
Lease rent	36	4,767.43	5,480.18
Employee benefits expense	37	3,835.54	3,838.66
Finance costs	38	5,840.34	4,107.36
Depreciation and amortisation expense	39	1,784.67	1,796.72
Other expenses	40	2,430.20	2,134.02
<b>Total expenses</b>		<b>43,128.01</b>	<b>55,933.32</b>
<b>Profit before exceptional items, rate regulated activities and tax</b>		<b>3,807.93</b>	<b>2,102.23</b>
Regulatory income/(expense) (net)	19 (c)	(2,357.16)	2,319.11
<b>Profit before exceptional items and tax</b>		<b>1,450.77</b>	<b>4,421.34</b>
Exceptional Items	41	4,673.56	-
<b>Profit Before Tax</b>		<b>6,124.33</b>	<b>4,421.34</b>
<b>Tax expense:</b>	42		
Current tax		1,645.63	745.89
Deferred tax		566.66	440.36
<b>Profit After Tax</b>		<b>3,912.04</b>	<b>3,235.09</b>
Other Comprehensive Income			
i) Items that will not be reclassified to Profit or Loss			
(a) Beneficial interest in Power Trust and equity instruments through other comprehensive income		(43.27)	125.63
(b) Remeasurement gains/(losses) on defined benefit plans		(93.48)	(46.33)
ii) Income tax on items that will not be reclassified to profit or loss			
		32.35	16.03
<b>Total Comprehensive Income for the period</b>		<b>3,807.64</b>	<b>3,330.42</b>
Earnings per equity share:			
Basic and Diluted including Regulatory income/(expense) (₹)	47	0.24	0.21
Basic and Diluted excluding Regulatory income/(expense) (₹)		0.39	0.06

Significant Accounting Policies and other accompanying notes (1- 54) are an integral part of the financial statements.

As per our report on even date

For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2017

## A Equity share capital and share capital suspense account

Particulars	Share capital	Share capital suspense account	(₹ in lakhs)
Balance as on April 1, 2015	9,737.90	6,041.43	6,041.43
Changes in equity share capital during the year 2015-16	-	-	-
Balance as on March 31, 2016	9,737.90	6,041.43	6,041.43
Changes in equity share capital during the year 2016-17	-	-	-
Balance as on March 31, 2017	9,737.90	6,041.43	6,041.43

## B Other equity

Particulars	Reserve and Surplus					Items of Other Comprehensive Income			Total
	Capital Reserve	Debt Redemption Reserve	General Reserve	Reserve for unforeseen Exigencies fund	Reserve for unforseen Exigencies Interest fund	Retained Earnings	Re-measurement of the net defined benefit plans	Beneficial interest in Power Trust and equity instrument Through Other Comprehensive Income	
<b>Balance as on April 1, 2015</b>	1,526.13	1,650.00	77,403.62	323.37	130.88	8,175.08	(427.86)	-	88,863.69
Profit for the year	-	-	-	-	-	3,235.09	-	-	3,235.09
Contribution received during the year	236.43	-	-	-	-	-	-	-	236.43
Dividend payments including dividend distribution tax	-	-	-	-	-	(185.69)	-	-	(185.69)
Transfer from retained earnings	-	350.00	-	95.02	44.02	(489.04)	-	-	-
Fair valuation of equity instruments	-	-	-	-	-	-	(30.30)	-	(30.30)
Re-measurements of the net defined benefit plans	-	-	-	-	-	-	-	125.63	125.63
<b>Balance as on March 31, 2016</b>	1,762.56	2,000.00	77,403.62	418.39	174.90	10,735.44	(458.16)	125.63	92,244.85
Profit for the year	-	-	-	-	-	3,912.04	-	-	3,912.04
Contribution received during the year	341.20	-	-	-	-	-	-	-	341.20
Dividend payments including dividend distribution tax	-	-	-	-	-	(185.69)	-	-	(185.69)
Transfer from retained earnings	-	350.00	-	98.56	49.18	(497.74)	-	-	-
Fair valuation of equity instruments	-	-	-	-	-	-	-	(43.27)	(43.27)
Re-measurements of the net defined benefit plans	-	-	-	-	-	-	(61.13)	-	(61.13)
<b>Balance as on March 31, 2017</b>	2,103.76	2,350.00	77,403.62	516.95	224.08	13,964.05	(519.29)	82.36	96,208.00

Refer note 21 for nature and purpose of reserves.

Significant Accounting Policies and other accompanying notes (1- 54) are an integral part of the financial statements.

As per our report on even date

For **Lodha & Co**

Chartered Accountants

**H.K. Verma**

Partner

Place: Kolkata,

Date: 29th May, 2017

For and on behalf of the Board

**Prashant Kapoor**

Company Secretary

**A.K. Goswami**

Director

(DIN:03331661)

**Amit Kiran Deb**

Director

(DIN:02107792)

# CASH FLOW STATEMENT

for the year ended 31st March, 2017

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation	6,124.33	4,421.34
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,784.67	1,796.72
Allowance for bad and doubtful debts (net)	17.99	66.64
Interest expense	5,840.34	4,107.36
Loss/(profit) on discard/sale of fixed assets (Net)	-	5.07
Depreciation reversal (refer note 34)	(477.92)	-
Interest income on unwinding of financial instruments	(690.37)	(734.74)
Gain on mutual fund valuation	(24.34)	(2.42)
Prepaid expense amortisation	29.09	31.74
Lease rent expense	(2.73)	(2.73)
Loss on sale of investment	(22.39)	-
Adjustment for employee loan and security deposit	0.44	0.86
Income from investments	(31.45)	(50.35)
Interest on deposit and others	(614.91)	(828.46)
Profit on sale of long term investment	(0.07)	(1.80)
Liability no longer required written back	-	(7.97)
Exceptional items	(4,673.56)	-
Foreign exchange (gain)/loss	59.45	(21.09)
	<u>1,194.24</u>	<u>4,358.83</u>
<b>Operating Profit before Working Capital Changes</b>	<b>7,318.57</b>	<b>8,780.17</b>
<b>Adjustments for:</b>		
Decrease / (Increase) - Inventories	(33.62)	124.60
Decrease / (Increase) - Regulatory deferral account balances	3,695.59	(2,417.09)
Decrease / (Increase) - Trade and other receivables	2,482.95	(1,404.56)
Decrease / (Increase) - Loans	870.30	(1,137.35)
Decrease / (Increase) - Other financial assets	(28.91)	(51.25)
Decrease / (Increase) - Other assets	(1,507.81)	(2,804.09)
Increase / (Decrease) - Trade payables	(53.60)	446.20
Increase / (Decrease) - Other financial liabilities	1,171.94	339.54
Increase / (Decrease) - Financial liabilities	(205.90)	1,357.65
	<u>6,390.94</u>	<u>(5,546.35)</u>
<b>Cash Generated from Operations</b>	<b>13,709.51</b>	<b>3,233.82</b>
Direct Taxes paid	(140.35)	(711.05)
<b>Net Cash from Operating Activities</b>	<b>13,569.16</b>	<b>2,522.77</b>

# CASH FLOW STATEMENT

for the year ended 31st March, 2017

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(1,500.79)	(540.32)
Proceeds from disposal of property, plant and equipment	0.62	1,212.08
Proceeds from sale of non-current investments	30,669.11	40.00
Purchase of non-current investments	(20,862.51)	(25,271.76)
Interest received on fixed deposits and loans	1,335.00	245.86
Receipt for completion of acquisition of a subsidiary	26,694.50	-
Earmarked deposit with bank	(5,670.30)	(148.88)
<b>Net Cash used in Investing Activities</b>	<b>30,665.63</b>	<b>(24,463.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan to Subsidiary Company (net)	(6,580.11)	(555.01)
Proceeds from long term borrowing	30,600.00	28,591.30
Repayment from long term borrowing	(51,069.42)	(2,461.28)
Movement in cash credit facilities from banks	400.16	4,946.07
Proceeds from short term borrowing from banks and others	200.00	6,700.00
Repayment of short term loan from other parties	(6,700.00)	(6,000.00)
Dividend paid (including tax on dividend)	(165.77)	(166.74)
Interest paid	(11,439.47)	(8,807.60)
<b>Net Cash from Financing Activities</b>	<b>(44,754.61)</b>	<b>22,246.74</b>
Net increase/(decrease) in Cash and Cash Equivalents	(519.82)	306.49
Cash and Cash Equivalents at the beginning of the year	1,302.64	996.15
Cash and Cash Equivalents at the closing of the year (Refer note 14)	<b>782.82</b>	<b>1,302.64</b>

Significant Accounting Policies and other accompanying notes (1- 54) are an integral part of the financial statements.

As per our report on even date

For **Lodha & Co**  
Chartered Accountants

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

For and on behalf of the Board

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 1// CORPORATE INFORMATION

India Power Corporation Limited is domiciled and incorporated in India and its shares are quoted on National Stock Exchange of India Limited ['NSE'], The Calcutta Stock Exchange Limited ['CSE'] and Metropolitan Stock Exchange of India Limited ['MSEI']. The registered office of the Company is at Plot X1 2&3, Block-EP, Sector-V, Saltlake City, Kolkata-700091.

The Company is engaged in thermal power generation in the state of West Bengal and wind power generation in the state of Gujarat, Karnataka and Rajasthan. It is licensed to distribute power in and around Asansol region including the area covered under Asansol Municipal Corporation in the State of West Bengal.

## 2// STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

### 2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 and therefore Ind AS issued, notified and made effective till the financial statements are authorised and the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003 (Tariff Regulations) have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2015.

The financial statement upto the year ended March 31, 2016, were prepared as per the previous GAAP under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable to the Company and the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003 (Tariff Regulations). Previous GAAP figures in the financial

statements have now been restated in compliance to Ind AS and regulatory requirements of WBERC.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", the Company has presented within Note 53.1(a) reconciliation of Shareholders' equity as given earlier under previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2016, and April 1, 2015 and also the Net Profit as per previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2016. The mandatory exceptions and optional exemptions availed by the Company on first-time adoption have been detailed in Note 53.2 of the financial statement.

### 2.2 Recent Pronouncements

In March 2017, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to the Ind AS 7 'Statement of cash flows' and Ind AS 102, 'Share - based payment' which are applicable w.e.f. April 1, 2017.

The amendment to Ind AS 7 "Statement of cash flows" requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The effect of this amendment on the financial statements of the Company is being evaluated.

The amendment to Ind AS 102 "Share-based payment" provides specific guidance to measurement of cash-settled share-based payment transaction and share-based payment transaction with a net settlement feature for withholding tax obligations. As the Company has not issued any stock options plans this amendment does not have any impact on the financial statements of the Company.

## 3// SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Preparation

The financial statements have been prepared on historical cost convention on accrual basis, except for certain financial instruments that are measured in

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

terms of relevant Ind AS at fair values/amortised cost at the end of each reporting period.

Historical cost convention is generally based on fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The standalone financial statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

## 3.2 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability
- (c) Level 3 : inputs for the asset or liability which are not based on observable market data.

## 3.3 Property, Plant and Equipment (PPE)

- (i) Freehold land is carried at historical cost. All other items of PPE are stated at their cost of acquisition or construction and is net of accumulated depreciation. Carrying value of PPE on the date of transition has been considered to be deemed

cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. 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. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

- (ii) All project related expenses viz civil works, machinery under erection, construction and erection materials, pre-operative expenditure net of revenue incidental/attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations are shown under Capital Work In Progress (CWIP).
- (iii) Depreciation on property, plant and equipment commences when the assets are ready for their intended use.
- (iv) Depreciation on PPE is provided on the straight-line method at the rates specified in the Tariff Regulation and computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. The useful life of assets considered for depreciation as above are as follows:

Category	Useful life (years)
Building	15 to 50
Plant & Equipment	5 to 25
Mains, meters & transformers	7 to 35
Vehicles	5 to 10
Furniture & fixtures	7 to 15
Office equipments	7 to 15

- (v) The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (vi) Cost of leasehold lands are amortised under the straight line method over the related lease period.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(vii) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.

## 3.4 Intangible Assets

### Recognition and initial measurement

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortisation and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages (ERP and others) has been allocated/amortised over a period of 5 years on straight line basis.

## 3.5 Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

## 3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognised in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognised earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognised in the statement of profit and loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying

amount that have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

## 3.7 Leases

Leases are classified as finance leases whenever in terms of the lease all the risks and rewards incidental to the ownership of an asset are substantially transferred to the Company. All other leases are classified as operating leases.

Finance leases are capitalised at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct cost of the lessee is added to the amount recognised as an asset. Each lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangement are structured to increase in the payments in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

## 3.8 Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The financial instruments are classified to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

**(i) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**(ii) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost.

The above financial assets and financial liabilities subsequent to initial recognition are measured at amortised cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums

or discounts) through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

**(iv)** For the purpose of para (ii) and (iii) above, the principal is considered to be fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

**(v) Financial Assets or Liabilities at Fair value Through Profit or Loss (FVTPL)**

Financial Instruments which do not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognised in the statement of profit and loss.

### 3.9 Financial Guarantee Contracts

Financial guarantee contracts other than those which are in the nature of insurance are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### 3.10 Impairment of Financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

### 3.11 De-recognition of financial instruments

The Company derecognises a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognised in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are

discharged or cancelled. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

### 3.12 Inventories

Inventories are valued at lower of cost or net realisable value.

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

### 3.13 Foreign Currency Transactions

#### Presentation currency:

These financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

#### Transactions and balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as income or expense in the profit and loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

### 3.14 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

obligation. Provisions are not recognised for future operating losses. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognised and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which 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 or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent Assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

## 3.15 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 (Funded)

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 unrecognised 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.

### Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LIC. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

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.

### Lump sum payment (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

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.

### 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

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

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.

#### Voluntary Retirement Scheme

Expenditure on voluntary retirement scheme (VRS) is being charged to statement of profit and loss account as incurred.

### 3.16 Revenue Recognition

#### Sale of Energy

Sale of energy on account of electricity supplied from regulated business is accounted for on the basis of billing to consumers at rates approved by WBERC and is net of rebate.

Sale of energy other than above is billed and accounted for at rates agreed with respective consumers.

Regulatory income and expense for the year recognised as per Regulations issued by WBERC are shown separately in the statement of profit and loss.

#### Interest, Dividend and Claims

Dividend income is recognised when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted/ settled.

### 3.17 Borrowing Costs

Borrowing costs comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the statement of profit and loss using the effective interest method

except to the extent attributable to qualifying property, plant and equipment (PPE) which are capitalised to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

### 3.18 Income Tax

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense taxable on the basis different than that considered for recognition in the accounts and also due to the items that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

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

### 3.19 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.

### 3.20 Regulatory Assets and Liabilities

Regulatory assets and liabilities shown as Regulatory Deferral Account Balance are recognised based on process defined in Tariff Regulations issued by WBERC. Any adjustment there of are recognised in the year in which order of WBERC are received. It includes amount recoverable from/refundable to consumers on account of Fuel and Power Purchase Cost Adjustment (FPPCA), and other adjustments based on tariff regulations and orders. Consequential adjustments are given effect to upon confirmation by the relevant authorities.

### 4// CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These

estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also been discussed below:

#### a) Regulatory Deferral Account Balances

Regulatory Deferral consists of Fuel and Power Purchase Cost Adjustment (FPPCA) and other accruals as per the Tariff Regulation as recognised in the accounts have been considered on the basis of available tariff order and as per the norms and formula prescribed in the regulations; this may vary requiring adjustments on determination by the regulator.

#### b) Fair Valuation of Financial assets - Beneficial interest in Power Trust

Beneficial interest in Power Trust have been evaluated and considered considering the valuation of underlying securities of the projected inflows of the Investee entities as estimated by the respective management and evaluated by an independent valuer. Variation arising with respect to actual numbers in future may require adjustment effecting other comprehensive income.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## c) Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Accordingly, such provision has been made considering concession/allowances including those based on expert advice/judicial pronouncements.

## d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations as it is not possible to predict the outcome of pending matters with accuracy.

## e) Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable vary, it may affect the amount of actual write-offs as estimated.

## f) Determining whether an arrangement contain leases and classification of leases

The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

## g) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as

standard rates of inflation, cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

## 5// AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ('the scheme') sanctioned by the Hon'ble Calcutta High Court vide its order dated 17th April, 2013, erstwhile India Power Corporation Limited (IPCL), has been amalgamated with the Company with effect from October 1, 2011 (the appointed date). The scheme was therefore given effect to in the financial statements for the year ended March 31, 2013.

### 5.1 Consequent to the amalgamation as above:

The shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,120,275,823 equity shares of ₹ 1 each of the Company aggregating to ₹ 11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating/ Transferor Company, its shareholding of 516,132,374 equity shares of ₹ 1 each aggregating to ₹ 5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court leaving 389,515,829 equity shares being held by Power Trust (including 149,087,194 equity shares of ₹ 1 each in terms of the said scheme which has now been transferred to said Trust on March 30, 2017 and 63,199,293 shares have been transferred on said date pursuant to the order of Hon'ble Calcutta High Court dated January 27, 2017). The above referred allotment and cancellation has been kept in abeyance in line with the order of SEBI pending adherence to requirement of minimum public shareholding by selling/transfer of shares of the Company held by Power Trust as required in terms of the order dated January 27, 2017 of Hon'ble Calcutta High Court. Pending this, a net amount of ₹ 6,041.43 lakhs, being the differential amount with respect to the equity shares to be issued and to be cancelled has continued to be shown as share capital suspense account.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

**5.2** In terms of the scheme, the Reserves arising pursuant to amalgamation constitutes free reserves available to the Amalgamated Company for such purpose including but not limited to declaration of dividend, issuance of Bonus shares etc. as the Board of Directors of the Amalgamated Company may consider appropriate. Accordingly as per the Board resolution, the reserve of

₹ 20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

**5.3** Pursuant to the Scheme, the name of the Company has been changed to India Power Corporation Limited with effect from August 27, 2013.

## 6// PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars									(₹ in lakhs)
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Mains, Meters and Transformers	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>As at April 1, 2015</b>	274.42	2,659.36	6,023.07	8,145.72	20,410.51	160.83	404.86	77.82	38,156.59
Addition	17.86	-	43.73	-	1,295.31	17.21	35.29	6.53	1,415.93
Disposal	-	1,321.75	-	-	4.34	1.82	1.24	0.19	1,329.34
Adjustments	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2016</b>	<b>292.28</b>	<b>1,337.61</b>	<b>6,066.80</b>	<b>8,145.72</b>	<b>21,701.48</b>	<b>176.22</b>	<b>438.91</b>	<b>84.16</b>	<b>38,243.18</b>
Addition	-	80.22	7.83	12.98	847.18	3.79	9.92	11.71	973.63
Disposal	4.08	-	85.47	1,446.66	170.71	3.69	57.09	0.93	1,768.63
Adjustments	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2017</b>	<b>288.20</b>	<b>1,417.83</b>	<b>5,989.16</b>	<b>6,712.04</b>	<b>22,377.95</b>	<b>176.32</b>	<b>391.74</b>	<b>94.94</b>	<b>37,448.18</b>
<b>Accumulated depreciation as at April 1, 2015</b>	-	-	-	-	-	-	-	-	-
Charge for the period	-	23.66	300.30	358.90	917.51	17.91	59.57	23.94	1,701.79
Disposal	-	-	-	-	0.41	0.31	0.16	-	0.88
<b>Accumulated depreciation as at March 31, 2016</b>	<b>-</b>	<b>23.66</b>	<b>300.30</b>	<b>358.90</b>	<b>917.10</b>	<b>17.60</b>	<b>59.41</b>	<b>23.94</b>	<b>1,700.91</b>
Charge for the period	-	23.89	299.55	316.44	958.87	17.86	54.35	21.99	1,692.95
Disposal	-	-	3.20	128.58	16.97	0.47	16.00	-	165.22
<b>Accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>47.55</b>	<b>596.65</b>	<b>546.76</b>	<b>1,859.00</b>	<b>34.99</b>	<b>97.76</b>	<b>45.93</b>	<b>3,228.64</b>
<b>Net carrying value as at April 1, 2015</b>	<b>274.42</b>	<b>2,659.36</b>	<b>6,023.07</b>	<b>8,145.72</b>	<b>20,410.51</b>	<b>160.83</b>	<b>404.86</b>	<b>77.82</b>	<b>38,156.59</b>
<b>Net carrying value as at March 31, 2016</b>	<b>292.28</b>	<b>1,313.95</b>	<b>5,766.50</b>	<b>7,786.82</b>	<b>20,784.38</b>	<b>158.62</b>	<b>379.50</b>	<b>60.22</b>	<b>36,542.27</b>
<b>Net carrying value as at March 31, 2017</b>	<b>288.20</b>	<b>1,370.28</b>	<b>5,392.51</b>	<b>6,165.28</b>	<b>20,518.95</b>	<b>141.33</b>	<b>293.98</b>	<b>49.01</b>	<b>34,219.54</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- 6.1** The Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) as on April 1, 2015 (transition date) measured as per previous GAAP and used that carrying value as its deemed cost.
- 6.2** Gross Block and Net Block of buildings includes ₹ 166.67 lakhs and ₹ 153.51 lakhs (₹ 272.08 lakhs and ₹ 262.75 lakhs as on March 31, 2016 and ₹ 269.71 lakhs and ₹ 269.71 lakhs as on April 1, 2015) respectively being building constructed on land not owned by the company.
- 6.3** Refer note 22 & 28 for charge against PPE.
- 6.4** Refer note 17.1 for disposal of Chinakuri Power Plant.

## 7// INTANGIBLE ASSETS

Particulars	(₹ in lakhs)
	Computer Software
<b>As at April 1, 2015</b>	248.21
Additions	32.70
Disposal	-
Adjustments	-
<b>Gross carrying value as at March 31, 2016</b>	<b>280.91</b>
Additions	-
Disposal	-
Adjustments	-
<b>Gross carrying value as at March 31, 2017</b>	<b>280.91</b>
<b>Accumulated depreciation as at April 1, 2015</b>	-
Charge for the period	94.93
Disposal	-
Adjustments	-
<b>Accumulated depreciation as at March 31, 2016</b>	<b>94.93</b>
Charge for the period	91.72
Disposal	-
Adjustments	-
<b>Accumulated depreciation as at March 31, 2017</b>	<b>186.65</b>
<b>Net carrying value as at April 1, 2015</b>	<b>248.21</b>
<b>Net carrying value as at March 31, 2016</b>	<b>185.98</b>
<b>Net carrying value as at March 31, 2017</b>	<b>94.26</b>

- 7.1** The Company has elected to continue with the carrying value of its intangible asset as on April 1, 2015 (transition date) measured as per previous GAAP and used that carrying value as its deemed cost.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.1// NON-CURRENT INVESTMENTS

Particulars	(₹ in lakhs)						
	31st March, 2017 (No.)	31st March, 2016 (No.)	1st April, 2015 (No.)	Face value (₹)	31st March, 2017 (Amount)	31st March, 2016 (Amount)	1st April, 2015 (Amount)
<b>Investment in Equity Instruments</b>							
<b>Fully paid up Equity Shares</b>							
<b>Unquoted, Carried at Cost</b>							
<b>Investment in Subsidiary Companies</b>							
India Power Corporation (Bodhgaya) Ltd.	100,000	100,000	100,000	10	10.00	10.00	10.00
IPCL Pte Limited (Face value of SGD 1/- each)	12,000	12,000	12,000		5.94	5.94	5.94
IPCL Power Trading Pvt. Ltd.	5,200,000	5,200,000	5,200,000	10	520.00	520.00	520.00
India Power Green Utility Pvt. Ltd.	110,000	110,000	-	10	11.00	11.00	-
Matsya Shipping and Ports Pvt. Ltd.	-	10,000	-	10	-	1.00	-
Meenakshi Energy Ltd	3,811,506,509	-	-	10	0.01	-	-
<b>Investment in Joint Venture Companies</b>							
Matsya Shipping and Ports Pvt. Ltd.	5,000	-	-	10	0.50	-	-
India Uniper Power Services Pvt. Ltd.	3,525,000	-	-	10	352.50	-	-
<b>Investment in Other Body Corporate Carried at Fair value through Other Comprehensive Income</b>							
<b>Quoted</b>							
Yule Financing & Leasing Co. Ltd.	297,930	297,930	297,930	10	-	-	-
Tide Water Oil Co. (I) Ltd. (Face value as at 1st April 2015 ₹ 10/-)	4,024	4,024	1,006	5	242.21	263.50	135.47
<b>Unquoted</b>							
National Power Exchange Ltd	-	500,000	500,000	10	-	25.80	25.80
Transformer & Switchgear Ltd.	24,407	24,407	24,407	10	-	-	-
WEBFIL Limited	2,003,800	2,003,800	2,003,800	10	-	-	-
Woodlands Multispeciality Hospital Ltd.	500	500	500	10	0.05	0.05	0.05
India Power Corporation (Tuticorin) Pvt. Ltd. (Formerly India Power Corporation (Bihar) Pvt. Ltd.)	387,600	387,600	-	10	37.29	38.18	-
<b>Investment in Preference Shares</b>							
<b>Fully paid up Preference Shares</b>							
<b>Unquoted, Carried at cost</b>							

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.1// NON-CURRENT INVESTMENTS (CONTD.)

Particulars	31st March, 2017 (No.)	31st March, 2016 (No.)	1st April, 2015 (No.)	Face value (₹)	31st March, 2017 (Amount)	₹ in lakhs	
						31st March, 2016 (Amount)	1st April, 2015 (Amount)
<b>Investment in Subsidiary</b>							
0.01% Compulsorily Convertible Preference Shares in India Power Corporation (Haldia) Limited (CCPS)	-	306,827,040	306,824,040	10	-	30,682.70	30,682.40
<b>Investment in Associate</b>							
<b>Unquoted, Carried at cost</b>							
0.01% Compulsorily Convertible Preference Shares in India Power Corporation (Haldia) Limited (CCPS)	306,827,040	-	-	10	30,682.70	-	-
<b>Investment in Debentures</b>							
<b>Fully Paid Debentures</b>							
<b>Unquoted, Carried at cost</b>							
<b>Investment in Subsidiary</b>							
0% Fully and Compulsorily Convertible Debenture in India Power Corporation (Haldia) Limited (FCCD)	-	285,360,660	-	10	-	28,536.07	-
<b>Investment in Other Body Corporate</b>							
<b>Carried at Fair value through Other Comprehensive Income</b>							
<b>Unquoted</b>							
18.00% Unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Pvt. Ltd.	2,500	2,500	2,500	100	2.50	2.50	2.50
<b>Investment for Unforeseen Exigencies Reserve</b>							
<b>Carried at amortised cost</b>							
<b>Quoted - Bonds</b>							
11.00% PFC, 2018	3	3	3	1,000,000	30.00	30.00	30.00
9.05% Corporation Bank, 2019	3	3	3	1,000,000	30.00	30.00	30.00
11.05% IOB, 2018	2	2	2	1,000,000	20.00	20.00	20.00
9.20% Bank of Baroda Perpetual bonds, 2019	3	3	3	1,000,000	30.00	30.00	30.00
9.18% PFC, 2021	4	4	4	1,000,000	39.56	39.56	39.56
9.50% HDFC, 2016	-	-	3	1,000,000	-	-	29.94
11.40% SREI IFL, 2022	2	2	2	1,000,000	19.99	19.99	19.99
10.50% SIFL, 2020	1	1	1	1,000,000	9.75	9.75	9.75
<b>Carried at Fair value through Profit and Loss</b>							
<b>Quoted- Mutual Funds</b>							
UTI- GILT Advantage fund long term plan - Dividend payout	639,645	639,645	639,645	10	146.62	125.26	120.53

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.1// NON-CURRENT INVESTMENTS (CONTD.)

Particulars	(₹ in lakhs)						
	31st March, 2017 (No.)	31st March, 2016 (No.)	1st April, 2015 (No.)	Face value (₹)	31st March, 2017 (Amount)	31st March, 2016 (Amount)	1st April, 2015 (Amount)
<b>Investment for Unforeseen Exigencies Reserve Interest</b>							
<b>Carried at amortised cost</b>							
<b>Quoted - Bonds</b>							
7.87% Kerala SDL, 2016	-	-	1,000	100	-	-	0.99
11.40% SREI IFL, 2022	2	2	2	1,000,000	19.99	19.99	19.99
9.40% NABARD, 2016	-	-	1	1,000,000	-	-	10.00
10.50% SIFL, 2020	1	1	1	1,000,000	9.76	9.76	9.76
8.30% GOI 2040 Bond	3,000	3,000	3,000	100	2.92	2.92	2.92
<b>Carried at Fair value through Profit and Loss</b>							
<b>Quoted- Mutual Funds</b>							
UTI Balanced Fund (Income Re-investment) Scheme	85,750	78,831	73,333	10	25.85	20.87	21.68
<b>Total</b>					<b>32,249.14</b>	<b>60,454.84</b>	<b>31,777.27</b>
Aggregate amount of Quoted Investments					626.65	621.60	530.58
Aggregate Market Value of Quoted Investments					628.40	622.31	534.89
Aggregate amount of Unquoted Investments					31,622.49	59,833.24	31,246.69

## 8.2// CURRENT INVESTMENTS

Particulars	(₹ in lakhs)						
	31st March, 2017 (No.)	31st March, 2016 (No.)	1st April, 2015 (No.)	Face value (₹)	31st March, 2017 (Amount)	31st March, 2016 (Amount)	1st April, 2015 (Amount)
<b>Carried at amortised cost</b>							
<b>Investment for Unforeseen Exigencies Reserve Interest</b>							
<b>Quoted</b>							
7.50% ICICI Bank, 2015	-	-	2	1,000,000	-	-	19.20
9.50% HDFC, 2016	-	3	-	1,000,000	-	29.94	-
<b>Investment for Unforeseen Exigencies Reserve Interest</b>							
<b>Quoted</b>							
7.50% ICICI Bank 2015 Bonds	-	-	2	1,000,000	-	-	19.00
7.87% Kerala SDL, 2016	-	1,000	-	100	-	0.99	-
9.40% NABARD, 2016	-	1	-	1,000,000	-	10.00	-
<b>Total</b>					<b>-</b>	<b>40.93</b>	<b>38.20</b>
Aggregate amount of Quoted Investments					-	40.93	38.20
Aggregate Market Value of Quoted Investments					-	41.21	39.40

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- 8.3** 306,454,224 number of CCPS amounting to ₹ 30,645.42 lakhs have been pledged with lenders of IPC(H)L.
- 8.4** 3,811,506,509 equity shares of Meenakshi Energy Limited are pledged with lenders of Meenakshi Energy Limited.
- 8.5** The company has sold fully and compulsorily convertible debenture [FCCD] of ₹ 49,046.07 lakhs to Power Trust along with encumbrances for which necessary approvals need to be obtained. Consequent to sale of FCCD, India Power Corporation (Haldia) Limited (IPC(H)L) has ceased to be a subsidiary w.e.f. March 31, 2017 and has become an associate. Investments in the said company have accordingly been treated and given effect to as required in terms of IND AS. Further the Company currently does not have any equity holdings in IPC(H)L and proportion of holding as disclosed represents potential voting rights against CCPS.
- 8.6** Consequent upon sale of equity shares, Matsya Shipping and Ports Pvt. Ltd. has ceased to be a subsidiary of the Company with effect from March 27, 2017 and has become a joint venture of the Company.
- 8.7** Consequent upon sale of equity shares, India Uniper Power Services Pvt. Ltd. has ceased to be a subsidiary of the Company with effect from January 6, 2017 and has become a joint venture of the Company.
- 8.8** Statement of investment in Subsidiaries, Joint ventures and Associate

## (a) Investment in Subsidiaries

Name of the Company	Note No.	Country of Incorporation	% of holding as at 31st March, 2017	% of holding as at 31st March, 2016	% of holding as at 1st April, 2015
India Power Corporation (Bodhgaya) Ltd.		India	100.00	100.00	100.00
IPCL Pte Limited		Singapore	100.00	100.00	100.00
IPCL Power Trading Pvt. Ltd.		India	99.81	99.81	99.81
India Power Green Utility Pvt. Ltd.		India	100.00	100.00	-
Matsya Shipping and Ports Pvt. Ltd.	8.6	India	-	100.00	-
Meenakshi Energy Ltd		India	95.07	-	-
India Power Corporation (Haldia) Limited	8.5	India	-	74.28	59.95

## (b) Investment in Joint Ventures

Name of the Company	Note No.	Country of Incorporation	% of holding as at 31st March, 2017	% of holding as at 31st March, 2016	% of holding as at 1st April, 2015
Matsya Shipping and Ports Pvt. Ltd.	8.6	India	50.00	-	-
India Uniper Power Services Pvt. Ltd.	8.7	India	50.00	-	-

## (c) Investment in Associate

Name of the Company	Note No.	Country of Incorporation	% of holding as at 31st March, 2017	% of holding as at 31st March, 2016	% of holding as at 1st April, 2015
India Power Corporation (Haldia) Limited	8.5	India	30.61	-	-

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 9// NON-CURRENT FINANCIAL ASSET - LOANS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured Considered Good unless otherwise stated</b>				
<b>Carried at amortised cost</b>				
Deposits		0.35	3.06	3.38
Loan to Related Parties	9.1	801.55	805.32	229.22
Advances to Employees		2.19	2.12	7.18
Advance Recoverable		-	-	130.11
Loan to Power Trust		-	1,270.00	-
<b>Total</b>		<b>804.09</b>	<b>2,080.50</b>	<b>369.89</b>

## 9.1 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
1) Loans to Subsidiary Company			
- India Power Corporation (Bodhgaya) Ltd.			
Outstanding balance	25.00	478.00	-
Maximum amount due during the year	573.00	1,425.00	1,222.25
- IPCL Pte Limited			
Outstanding balance	337.55	327.32	229.22
Maximum amount due during the year	364.64	327.32	229.22
- India Power Green Utility Pvt. Ltd.			
Outstanding balance	464.00	-	-
Maximum amount due during the year	464.00	-	-
- Meenakshi Energy Ltd			
Outstanding balance	6,364.00	-	-
Maximum amount due during the year	6,364.00	-	-
- IPCL Power Trading Pvt Ltd.			
Outstanding balance	170.00	-	-
Maximum amount due during the year	570.00	-	-
2) Advance to Subsidiary Company			
- Meenakshi Energy Ltd			
Outstanding balance	35.59	-	-
Maximum amount due during the year	35.59	-	-
- IPCL Power Trading Pvt Ltd.			
Outstanding balance	-	-	-
Maximum amount due during the year	50.00	-	-
3) Advance to Associate Company			
- India Power Corporation (Haldia) Limited			
Outstanding balance	46.67	-	-
Maximum amount due during the year	46.67	-	-

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
4) Loans to Joint Venture Companies			
- Matsya Shipping & Ports Pvt Ltd			
Outstanding balance	5.00	-	-
Maximum amount due during the year	5.00	-	-
- India Uniper Power Services Pvt. Ltd			
Outstanding balance	-	-	-
Maximum amount due during the year	40.00	-	-
5) Advance to Joint Venture Companies			
- Matsya Shipping & Ports Pvt Ltd			
Outstanding balance	-	-	-
Maximum amount due during the year	3.00	-	-
- India Uniper Power Services Pvt. Ltd			
Outstanding balance	-	-	-
Maximum amount due during the year	31.02	-	-

## 10// NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Carried at amortised cost</b>				
Fixed Deposit with banks having maturity of more than 12 months	10.1	275.91	512.57	0.15
<b>Carried at fair value through other comprehensive income</b>				
Beneficial interest in Power Trust	10.2	81,878.04	81,900.83	81,902.66
<b>Total</b>		<b>82,153.95</b>	<b>82,413.40</b>	<b>81,902.81</b>

10.1 (a) Includes Nil (₹ 2.40 lakhs as on March 31, 2016 and ₹ 0.15 lakhs as on April 1, 2015) kept as margin money with bank and ₹ 211.06 lakhs (₹ 276.72 lakhs as on March 31, 2016 and Nil as on April 1, 2015) kept with bank as lien against repayment of term loans.

(b) Includes ₹ 62.00 lakhs (₹ 109.36 lakhs as on March 31, 2016 and Nil as on April 1, 2015) being investment against unforeseen exigencies fund and ₹ 2.85 lakhs (₹ 124.09 lakhs as on March 31, 2016 and Nil as on April 1, 2015) being investment against unforeseen exigencies interest fund.

10.2 Beneficial interest in Power Trust represent investments in Company's shares, associates and other unlisted companies net off borrowings and liabilities pertaining to investment division of erstwhile IPCL transferred to the said Power Trust in terms of the scheme of amalgamation (refer note 5). Considering that the Company's shares are held by an independent trust and are meant for sale in terms of Hon'ble Calcutta High Court order the beneficial interest (including Company's shares) has been treated as financial assets and fair valuation as required in terms of Ind AS 109 has been carried out by an independent firm of chartered accountant and the resultant decrease of ₹ 22.80 lakhs (₹ 1.83 lakhs as on March 31, 2016 and increase of ₹ 16.65 lakhs as on April 1, 2015) in value thereof, has been adjusted from other comprehensive income.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

10.3 Refer Note 5.1 for Company's shares transferred and held by Power Trust.

## 11// NON-CURRENT ASSETS - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Advance against goods services &amp; others</b>				
<b>Unsecured Considered Good unless otherwise stated</b>				
Prepaid Expenses		10.68	12.57	36.65
Capital Advance		43.50	49.42	3,350.16
Advance Others	11.1	853.82	495.90	3,315.37
Long term Deposit	11.1	4,205.55	2,550.00	-
<b>Total</b>		<b>5,113.55</b>	<b>3,107.89</b>	<b>6,702.18</b>

11.1 The Company has appointed a facilitation agent to facilitate identification of an Asset Reconstruction Company (ARC) who intends to acquire the financial assets (debt and the security interests) of a power project from its lenders and ensure appointment of the Company as exclusive resolution agent for the said financial asset. In terms of the said arrangement the company has paid a security deposit of ₹ 4,202.55 lakhs including ₹ 1,652.55 lakhs paid during the year and maintenance amount of ₹ 407.32 lakhs including ₹ 167.92 lakhs paid during the year to the facilitation agent to facilitate the ARC to procure the financial assets of the said project. The security deposit and other amounts recoverable from the facilitation agent are secured with the exclusive charge on certain receivables of the facilitation agent from the ARC. Similarly in terms of an arrangement arrived at with an (ARC), the Company has been appointed as resolution agent for resolution of the financial assets (loan and the security interest) towards a power project acquired/to be acquired by the said ARC from a lender. Pending completion of the transaction and settlement with the lenders by ARC, further maintenance amount of ₹ 446.50 lakhs has been paid as part of recoveries in this connection. Consequential adjustments shall be carried out by the Company on resolution of financial assets and shall be accounted for on determination of amount thereof.

## 12// INVENTORIES

(At lower of cost or net realisable value)

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Coal	12.1	326.09	301.36	384.66
Stores and Spares	12.1 & 17.1	650.61	1,029.28	1,070.29
Loose Tools	12.1 & 17.1	2.33	2.16	2.45
<b>Total</b>		<b>979.03</b>	<b>1,332.80</b>	<b>1,457.40</b>

12.1 Refer note 28 for charge against inventories.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 13// CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Secured</b>				
Considered good	13.1	1,160.29	1,644.16	1,748.58
<b>Total Secured</b>		<b>1,160.29</b>	<b>1,644.16</b>	<b>1,748.58</b>
<b>Unsecured</b>				
Considered good		4,792.19	7,604.83	6,162.28
Unsecured, considered Doubtful		84.63	66.64	-
		<b>4,876.82</b>	<b>7,671.47</b>	<b>6,162.28</b>
Less: Allowance for bad and doubtful debt		84.63	66.64	-
<b>Total Unsecured</b>		<b>4,792.19</b>	<b>7,604.83</b>	<b>6,162.28</b>
<b>Total</b>		<b>5,952.48</b>	<b>9,248.99</b>	<b>7,910.86</b>

13.1 Secured by security deposits received from the respective consumers.

13.2 The Company extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per Power Purchase agreements (PPA) entered with DISCOMs for non regulatory business. Consumer's outstanding balances are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business is covered with PPA with government undertakings and in case of regulated business outstanding are as governed by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No objection certificate" from the Company. The Company has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent.

Particulars					(₹ in lakhs)
	Within credit period	Upto 6 Months	6 to 12 Months	Above 12 months	Total
<b>Trade Receivable</b>					
As at 31st March 2017					
Secured	1,022.41	1.08	134.16	2.64	1,160.29
Unsecured	3,689.66	752.70	144.93	289.53	4,876.82
<b>Gross Total</b>	<b>4,712.07</b>	<b>753.78</b>	<b>279.09</b>	<b>292.17</b>	<b>6,037.11</b>
Less: Allowance for bad and doubtful debt	-	-	-	84.63	84.63
<b>Net Total</b>	<b>4,712.07</b>	<b>753.78</b>	<b>279.09</b>	<b>207.54</b>	<b>5,952.48</b>
As at 31st March 2016					
Secured	1,556.15	58.20	22.93	6.88	1,644.16
Unsecured	2,862.86	2,876.71	1,579.51	352.39	7,671.47
<b>Gross Total</b>	<b>4,419.01</b>	<b>2,934.91</b>	<b>1,602.44</b>	<b>359.27</b>	<b>9,315.63</b>
Less: Allowance for bad and doubtful debt	-	13.64	-	53.00	66.64
<b>Net Total</b>	<b>4,419.01</b>	<b>2,921.27</b>	<b>1,602.44</b>	<b>306.27</b>	<b>9,248.99</b>
As at 1st April 2015					
Secured	1,578.97	49.42	0.71	119.48	1,748.58
Unsecured	3,626.57	2,287.32	92.30	156.09	6,162.28
<b>Gross Total</b>	<b>5,205.54</b>	<b>2,336.74</b>	<b>93.01</b>	<b>275.57</b>	<b>7,910.86</b>
Less: Allowance for bad and doubtful debt	-	-	-	-	-
<b>Net Total</b>	<b>5,205.54</b>	<b>2,336.74</b>	<b>93.01</b>	<b>275.57</b>	<b>7,910.86</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

13.3 Refer note 28 for charge against the outstanding amount.

13.4 Movement in Allowance for bad and doubtful debt

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
Opening Balance	66.64	-
Additions	35.76	66.64
Reversals	(17.77)	-
Closing Balance	84.63	66.64

## 14// CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
<b>Cash and Cash Equivalent</b>			
Balances with Banks			
Current Account	778.75	1,296.51	992.32
Cash on hand	4.07	5.89	3.59
Stamps in hand	-	0.24	0.24
<b>Total</b>	<b>782.82</b>	<b>1,302.64</b>	<b>996.15</b>

### 14.1 Specified Bank Notes disclosure (SBN'S)

The details of SBN (₹ 500 and ₹ 1000 notes existing as on November 8, 2016) and other notes held and transacted during the period as defined and required vide MCA notification no. GSR 308(E) dated March 30, 2017 are given below:

Particulars	(₹ in lakhs)		
	SBNs	Other denomination Notes	Total
Closing Cash in Hand as on 8.11.2016	9.32	2.00	11.32
(+) Permitted Receipts	4.98	11.23	16.21
(-) Permitted Payments	-	6.85	6.85
(-) Amount deposited in Banks	14.30	1.00	15.30
<b>Closing Cash in Hand as on 30.12.2016</b>	<b>-</b>	<b>5.38</b>	<b>5.38</b>

## 15// CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Other Balances with Banks</b>				
Fixed deposit	15.1	6,278.47	388.46	773.92
Current Account - Unforeseen Exigencies Reserve Fund		0.11	3.08	0.10
Unpaid Dividend	30.1	78.03	58.11	39.17
<b>Total</b>		<b>6,356.61</b>	<b>449.65</b>	<b>813.19</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

15.1 (a) Includes ₹ 919.98 lakhs (₹ 255.18 lakhs as on March 31, 2016 and ₹ 267.30 lakhs as on April 1, 2015) kept as margin money with bank and ₹ 492.26 lakhs (₹ 129.03 lakhs as on March 31, 2016 and ₹ 400.68 lakhs as on April 1, 2015) kept with bank as lien against repayment of term loans.

(b) Includes ₹ 189.24 lakhs (nil as on March 31, 2016 and ₹ 50.23 lakhs as on April 1, 2015) being investment against unforeseen exigencies fund and ₹ 153.59 lakhs (₹ 4.25 lakhs as on March 31, 2016 and ₹ 55.71 lakhs as on April 1, 2015) being investment against unforeseen exigencies interest fund.

(c) Includes ₹ 4,523.40 lakhs (previous year nil) kept as margin money against Bank guarantee issued in favour of lenders of Meenakshi Energy limited.

## 16// CURRENT FINANCIAL ASSETS - LOANS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured Considered Good unless otherwise stated</b>				
<b>Carried at amortised cost</b>				
Loan to related parties	9.1	6,564.00	-	-
Loan to employees		2.20	2.76	-
Security Deposit		403.70	-	-
<b>Total</b>		<b>6,969.90</b>	<b>2.76</b>	<b>-</b>

## 17// CURRENT FINANCIAL ASSETS - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured Considered Good unless otherwise stated</b>				
Interest Accrued		342.41	1,054.20	422.76
Receivable from Power Trust	8.5 & 17.3	18,446.07	-	-
Receivable - Others	17.1	2,990.61	403.79	326.84
Advance to related party	9.1	35.59	-	-
Short term Security Deposit		-	0.93	0.34
Advance - Employees & Others		18.25	150.85	151.98
Others	38.1	-	5,276.24	-
<b>Total</b>		<b>21,832.93</b>	<b>6,886.01</b>	<b>901.92</b>

17.1 The lease of Chinakuri Power Station (CPS) with Eastern Coal Fields limited (ECL) has expired on March 31, 2012 and in terms of lease agreement ECL is required to take over all assets at respective Written Down Value as on the date of termination of the lease. In terms of the arbitration order passed by Arbitration Tribunal, handing/taking over of vacant and peaceful possession of CPS has been completed on October 6, 2016, and thereby the resultant amount of ₹ 2,468.10 lakhs has been shown as recoverable from ECL.

17.2 The Company's claim/counter claim of ₹ 56,053 lakhs from ECL with respect to above and ECL's claim of ₹ 23,536 lakhs against the Company in this respect are under arbitration pursuant to the order of Hon'ble Supreme Court of India. Adjustment in this respect will be given effect to as and when determined.

## NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

17.3 Receivable from Power Trust represents amount recoverable against sale of FCCD of IPC(H)L to Power Trust net of loan of ₹ 30,600.00 lakhs taken from India Power Corporation (Tuticorin) Pvt. Limited, which in terms of an agreement dated March 31, 2017 has been assigned to said Trust.

### 18// OTHER CURRENT ASSETS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Advance to suppliers		413.25	922.21	1,092.33
Advance to related party	9.1	46.67	-	-
Other advances		15.77	17.65	52.70
Prepaid expenses		110.07	128.09	122.62
<b>Total</b>		<b>585.76</b>	<b>1,067.95</b>	<b>1,267.65</b>

### 19// REGULATORY DEFERRAL ACCOUNT BALANCES

#### (a) Debit balances

Particulars						(₹ in lakhs)	
	Receivable Against APR Orders	Fuel and Power Purchase Cost Adjustments	Other Adjustments based on Tariff Regulations and Orders	Accrual as per Appellate Tribunal for Electricity Order	Others	Total	
<b>As at 01.04.2015</b>	<b>2,794.77</b>	<b>3,352.03</b>	<b>3,674.01</b>	<b>1,206.00</b>	-	<b>11,026.81</b>	
Balances arising in the period	-	769.98	2,853.11	-	4,617.23	8,240.32	
Reversal	-	-	-	(1,206.00)	-	(1,206.00)	
<b>Closing Balance as on 31.03.2016</b>	<b>2,794.77</b>	<b>4,122.01</b>	<b>6,527.12</b>	<b>-</b>	<b>4,617.23</b>	<b>18,061.13</b>	
Balances arising in the period	-	-	720.41	-	-	720.41	
Recovery	(2,794.77)	-	-	-	-	(2,794.77)	
Reversal	-	(1,728.56)	(1,766.04)	-	(4,617.23)	(8,111.83)	
<b>Closing Balance as on 31.03.2017</b>	<b>-</b>	<b>2,393.45</b>	<b>5,481.49</b>	<b>-</b>	<b>-</b>	<b>7,874.94</b>	

#### (b) Credit Balances

Particulars	Note No.	(₹ in lakhs)	
		Fuel and Power Purchase Cost Adjustments	Total
<b>As at 01.04.2015</b>		-	-
Balances arising in the period		-	-
Recovery/Reversal		-	-
<b>Closing Balance as on 31.03.2016</b>		<b>-</b>	<b>-</b>
Balances arising in the period	19.2	3,077.57	3,077.57
Recovery/Reversal		-	-
<b>Closing Balance as on 31.03.2017</b>		<b>3,077.57</b>	<b>3,077.57</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (c) Regulatory Income/(Expense) (net)

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Fuel and Power Purchase Cost Adjustment	19.2	(3,077.57)	769.98
Other Adjustments based on Tariff Regulations and orders	19.2	720.41	2,755.13
Reversal of Accrual as per Appellate Tribunal for Electricity Order		-	(1,206.00)
<b>Total</b>		<b>(2,357.16)</b>	<b>2,319.11</b>

### 19.1 Tariff regulations, risks and uncertainties

In the State of West Bengal tariff for electricity are determined by West Bengal Electricity Regulatory Commission (WBERC/Commission).

(a) Multi year tariff (MYT) proposal giving therein details for appropriate capital structure to meet the capital investment plan with details of cost of financing including interest cost on debt and return on equity, expected sales for the years and the 'Annual Revenue Requirement' (ARR) covering both variable and fixed cost is submitted to WBERC. Commission examines the MYT proposals thereafter and tariff is determined for different categories of consumers. At the end of the financial year, "Annual Performance Review" (APR) petition for fixed cost and Fuel and Power Purchase Cost Adjustment (FPPCA) for variable cost is submitted to WBERC. WBERC reviews cost incurred under two categories as defined in Tariff regulation as "Controllable" and "Uncontrollable". In case of Uncontrollable cost all increase are allowed on actual basis and for Controllable cost, the commission may disallow any increase if these are not considered to be justifiable.

(b) The tariff regulation prescribes various normative operational and financial parameters for the Company. Any variation thereof may lead to disallowances. The Company is exposed to regulatory risk to the extent accruals are disallowed on assessment.

(c) As per the Tariff Regulation any increase in Variable cost is allowed to be recovered from consumers based on formula prescribed in the tariff regulation for "Fuel and Power Purchase Cost Adjustment" (FPPCA) as 'monthly variable cost adjustment' (MVCA). FPPCA recoverable/ refundable, reliability incentive etc is accounted for as regulatory income/(expense) in the statement of profit and loss

(d) Regulatory deferral balances relate to FPPCA and Reliability incentives created on the basis of latest declared tariff order. Accruals on account of FPPCA and reliability incentives etc. are recognised in books as per formula prescribed in Tariff Regulation Reversal/accrual are carried out in the year in which Tariff, FPPCA and APR orders are received. Recovery of the regulatory deferral balances are carried out in the manner and instalments as allowed by WBERC.

19.2 Payable on account of FPPCA of ₹ 3,077.57 lakhs for the year has been recognised on the basis of formulae prescribed under the applicable Tariff Regulations, and is net of ₹ 2,012.55 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. The Company is entitled for incentive and gains including incentive for reliability in power supply and accordingly based on applicable norms as per Tariff regulation, ₹ 720.41 lakhs have been recognised. Adjustments in these respects are carried out and given effect to from time to time based on the order of West Bengal Electricity Regulatory Commission or directions from appropriate authorities.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 20// EQUITY SHARE CAPITAL

Particulars	31st March, 2017		31st March, 2016		1st April, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>						
10% 'A' Cumulative preference shares of ₹ 100 each	16,000	16.00	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of ₹ 100 each	12,000	12.00	12,000	12.00	12,000	12.00
Equity Shares of ₹ 1 each	16,997,200,000	169,972.00	16,997,200,000	169,972.00	16,997,200,000	169,972.00
<b>Issued, Subscribed and fully paid up equity shares</b>						
Equity Shares of ₹ 1 each	973,789,640	9,737.90	973,789,640	9,737.90	973,789,640	9,737.90
<b>Total</b>	<b>973,789,640</b>	<b>9,737.90</b>	<b>973,789,640</b>	<b>9,737.90</b>	<b>973,789,640</b>	<b>9,737.90</b>

20.1 The Company has only one class of equity shares having a par value of ₹ 1 each. Each share has one voting right.

20.2 There is no movement in the number of shares outstanding and the amount of Share Capital as at March 31, 2017 and March 31, 2016.

20.3 Details of Shareholders holding more than 5% of equity shares each, are set out below:

Name of the Shareholders	31st March, 2017	31st March, 2016	1st April, 2015
	No. of Shares	No. of Shares	No. of Shares
Erstwhile India Power Corporation Ltd. (refer note 5.1)	516,132,374	665,219,568	665,219,568
Aksara Commercial Private Limited (refer note 20.5)	63,199,293	-	-
Power Trust (held in the name of the Trustee of the trust )	326,316,563	240,428,662	240,428,662

20.4 The above disclosures, are without giving effect to the further issue and cancellation of equity shares pursuant to the scheme of amalgamation as given in note 5.1.

20.5 Refer note no.5.1 for movement with respect to these shares.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 21// OTHER EQUITY

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Capital Reserve				
- Contribution from Consumers Towards Service Lines	21.1	2,103.76	1,762.56	1,526.13
- Other Capital Reserve	21.2	82.47	82.47	82.47
Debenture Redemption Reserve	21.3	2,350.00	2,000.00	1,650.00
General Reserve	21.4	77,403.62	77,403.62	77,403.62
Reserve for unforeseen Exigencies fund	21.5	516.95	418.39	323.37
Reserve for unforeseen Exigencies Interest fund	21.5	224.08	174.90	130.88
Retained Earnings	21.6	13,964.05	10,735.44	8,175.08
Other Comprehensive Income (OCI)				
- Remeasurement of defined benefit plans		(519.29)	(458.16)	(427.86)
- Fair value of beneficial interest in Power Trust and equity instrument through OCI	21.8	82.36	125.63	-
<b>Total</b>		<b>96,208.00</b>	<b>92,244.85</b>	<b>88,863.69</b>

21.1 Based on expert opinion obtained, considering that capital contribution from consumers toward service lines are not refundable to the consumers even after they cease to be consumers and the underlying assets there against being under ownership of the Company, such contribution are being treated as Capital Reserve.

21.2 Reserve arising on amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as other capital reserve.

21.3 Debenture Redemption Reserve is required to be created out of the profits available for payment of dividend in terms of Section 71 of the Companies Act, 2013 which is equal to 25% of the face value of the debentures issued and outstanding. The reserve will be released on redemption of the debentures.

21.4 (a) The general reserve is created from time to time by appropriating profits from retained earnings at the discretion of the company. As the general reserve is created by a transfer from one component of equity to another, and accordingly it is not reclassified to the statement of profit and loss.

21.4 (b) General Reserve include ₹ 56,887.09 lakhs being General Reserve of amalgamating company. In terms of Note 5. Further, reserve of ₹ 20,079.84

lakhs arising on amalgamation as stated in note 5.2 has also been included therein.

21.5 Reserve for unforeseen exigencies are created in terms of the Tariff Regulation issued by West Bengal Electricity Regulatory Commission. The sum appropriated to 'Reserve for unforeseen exigencies' are to be invested in specified securities and financial instruments (fixed deposit) at Nationalised bank. The interest accrued from such investment is reinvested and kept under - 'Reserve for unforeseen exigencies Interest fund'. The aforesaid reserves or fund shall be drawn upon only to meet such charges as the Commission may approve.

21.6 Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company.

### 21.7 Dividend Distribution

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.

On September 10, 2016 a dividend pertaining to the financial year 2015-2016 of ₹0.05 per equity shares aggregating to ₹ 154.29 Lakhs and the dividend

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

distribution tax of ₹ 31.40 lakhs has been approved for payment to equity shareholders of the Company.

In respect of the year ended March 31, 2017, the Board of Directors has recommended a dividend of ₹ 0.05 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 788.97 lakhs and the dividend distribution tax thereon amounts to ₹ 160.62 lakhs.

21.8 (a) OCI represent actuarial gains and losses on defined benefit obligations and

(b) The company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed. This will not be reclassified to statement of profit and loss.

21.9 Refer Statement of Changes in Equity for movement in balances of reserves.

## 22// NON CURRENT FINANCIAL LIABILITY - BORROWINGS

Particulars	Note No.	(₹ in lakhs)								
		31st March, 2017			31st March, 2016			1st April, 2015		
		Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
<b>Secured</b>										
Non Convertible Debentures	22.1	7,910.36	1,938.36	9,848.72	9,848.71	1,925.33	11,774.04	11,699.76	-	11,699.76
<b>Term Loan</b>										
- from Banks	22.2	35,526.15	2,125.45	37,651.60	37,490.55	3,606.84	41,097.39	12,107.87	2,882.89	14,990.76
<b>Unsecured</b>										
- from a body corporate		-	-	-	15,000.00	-	15,000.00	15,000.00	-	15,000.00
- Finance lease obligation		22.19	-	22.19	20.48	-	20.48	20.71	-	20.71
<b>Total</b>		<b>43,458.70</b>	<b>4,063.81</b>	<b>47,522.51</b>	<b>62,359.74</b>	<b>5,532.17</b>	<b>67,891.91</b>	<b>38,828.34</b>	<b>2,882.89</b>	<b>41,711.23</b>

22.1 (a) Includes 10.75% Secured Redeemable Non Convertible Debentures aggregating to ₹ 7,848.72 lakhs (₹ 9,774.04 lakhs as on March 31, 2016 and ₹ 9,699.76 lakhs as on April 1, 2015) redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. November 3, 2010 and secured by mortgage of immovable properties consisting of 1.0749 acres of land and all the buildings including

all structure, there on, fixed plant and machinery, furniture & fittings, present and future at Plot X1-3, Block EP, Salt lake, Kolkata and 1731.82 sq mtr land at Iswarpura (Gujarat).

22.1 (b) Includes 12% Secured Redeemable Non Convertible Debentures aggregating to ₹ 2,000 lakhs redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

allotment i.e. September 19, 2012 and secured by mortgage of immovable properties consisting of land measuring 20.74 acres and building at Kaithi and Seebpore Mouza at Burdwan District including Bungalows, Quarters, Offices etc. at Luchipur Receiving Station area of 56,633.94 sqft under Seebpore circle.

- 22.2 (a) Includes term loan of ₹ 2,649.12 lakhs (₹ 3,087.95 lakhs as on March 31, 2016 and ₹ 3,526.22 lakhs as on April 1, 2015 at bank base rate plus 2.5% and is repayable after moratorium of two years from 1st April, 2012 in 9 years in thirty six equal quarterly instalments and is secured by exclusive charge on assets of 1x12 MW plant project and immovable property consisting of Land of 20.10 acres at Dishergarh, District Burdwan and second pari passu charge on assets charged to secure Non Convertible Debentures of ₹ 10,000 lakhs given in note 22.1 (a).
- 22.2 (b) Includes term loan of ₹ 6,819.43 lakhs (₹ 7,454.12 lakhs as on March 31, 2016 and ₹ 7,447.71 lakhs as on April 1, 2015) at MCLR plus 1.9% and is repayable in 9 years from revised date i.e. 10th September 2016 in equal quarterly instalments and is secured by pari passu charge of entire fixed assets pertaining to 220/33 kv sub-station at J.K Nagar, Burdwan, both present and future.
- 22.2 (c) Includes term loan of ₹ Nil (₹ 1,999.99 lakhs as on March 31, 2016 and ₹ 4,000 lakhs as on April 1, 2015) at bank base rate plus 0.75% and is repayable in nine quarterly instalment of ₹ 500 lakhs each with effect from January 30, 2015 with annual put and call option and is secured by hypothecation by way of exclusive first charge on certain movable fixed assets of 29 kv Dishergarh Distribution network and 11 kv Seebpore distribution network.
- 22.2 (d) Includes loan of ₹ 22,687.31 lakhs (₹ 22,705.03 lakhs as on March 31, 2016 and Nil as on April 1, 2015) availed as renewal cum sanction of working capital facilities at bank base rate plus 1.15% renewable every year for a period upto seven years and is secured by subservient charge on the movable fixed assets and current assets of the Company except such assets which are exclusively charged/to be exclusively charged to any other bank or financial institution.
- 22.2 (e) Includes term loan of ₹ 4,750 lakhs (₹ 5,000 lakhs as on March 31, 2016 and Nil as on April 1, 2015) at bank base rate repayable in 16 quarterly instalments with effect from December 8, 2016 and is secured by exclusive first charge on movable and other fixed assets of Dishergarh Receiving Station, Parbelia Substation and Dishergarh Power Station of the Company both present and future and negative lien on certain immovable fixed assets.
- 22.2 (f) Includes term loan of ₹ 745.74 lakhs (₹ 850.30 lakhs as on March 31, 2016 and Nil as on April 1, 2015) at bank base rate plus 1.25% repayable in 40 instalments with effect from March 31, 2016 and is secured by first pari passu charge with other financing banks/financial institution on the assets created/to be created out of the term loan, both present and future and exclusive fixed charge on certain fixed assets of the Company.
- 22.2 (g) Includes term loan of Nil (Nil as on March 31, 2016 and ₹ 16.83 lakhs as on April 1, 2015) at the rate of 10.25% repayable in 35 monthly instalments of ₹ 2.49 lakhs each and is secured against asset purchased out of the loan.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 23// NON CURRENT FINANCIAL LIABILITY - TRADE PAYABLES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Carried at amortised cost</b>				
Trade Payables	23.1	3,219.33	2,872.09	2,648.97
<b>Total</b>		<b>3,219.33</b>	<b>2,872.09</b>	<b>2,648.97</b>

23.1 Includes ₹ 2,168.78 lakhs accounted for on the basis of tariff rates (including fuel cost adjustments) charged by DVC on a provisional basis, Pending issuance of revised tariff order by the Hon'ble Central Electricity Regulatory Commission (CERC) for the years 2006-07 to 2008-09, in terms of the directions issued by the Hon'ble Appellate Tribunal for Electricity (ATE). The Tariff fixed by CERC and the directions issued by the Hon'ble ATE has been challenged by DVC before the Hon'ble Supreme Court of India.

## 24// NON CURRENT FINANCIAL LIABILITY - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Carried at amortised cost</b>				
Advance from Consumers		2,424.21	2,162.73	2,305.46
Security Deposit Received from Consumers	13.1	2,626.96	2,346.12	2,013.55
Others		735.32	656.03	585.09
<b>Total</b>		<b>5,786.49</b>	<b>5,164.88</b>	<b>4,904.10</b>

## 25// NON CURRENT LIABILITY - PROVISIONS

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Employee benefits	247.62	274.96	295.39
<b>Total</b>	<b>247.62</b>	<b>274.96</b>	<b>295.39</b>

## 26// DEFERRED TAX LIABILITIES (NET)

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Deferred tax assets	1,893.87	2,218.45	2,184.23
Deferred tax liabilities	(6,664.94)	(6,173.95)	(5,715.40)
<b>Total deferred tax (liabilities)/assets</b>	<b>(4,771.07)</b>	<b>(3,955.50)</b>	<b>(3,531.17)</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Gross deferred tax liability and assets for the year ended 31st March, 2017 are as follows:

Particulars	(₹ in lakhs)		
	Liability	Asset	Net
Property, Plant and Equipment	(6,336.86)	-	(6,336.86)
Unamortised borrowing Cost	(66.28)	-	(66.28)
Provision for employee Benefits	-	540.84	540.84
Voluntary retirement & Other benefits allowable on amortisation basis	-	55.45	55.45
MAT Credit	-	1,268.10	1,268.10
Unrealised Gain(loss) on security carried at fair value through P&L/OCI	(9.64)	-	(9.64)
Receivable, loans and advances	-	0.19	0.19
Trade and other payables	(252.16)	-	(252.16)
Others	-	29.29	29.29
<b>Total Deferred tax Liability</b>	<b>(6,664.94)</b>	<b>1,893.87</b>	<b>(4,771.07)</b>

Gross deferred tax liability and assets for the year ended 31st March, 2016 are as follows:

Particulars	(₹ in lakhs)		
	Liability	Asset	Net
Property, Plant and Equipment	(5,799.65)	-	(5,799.65)
Unamortised borrowing Cost	(100.95)	-	(100.95)
Provision for employee Benefits	-	518.62	518.62
Voluntary retirement & Other benefits allowable on amortisation basis	-	127.39	127.39
MAT Credit	-	1,549.38	1,549.38
Unrealised Gain(loss) on security carried at fair value through P&L/OCI	(4.77)	-	(4.77)
Receivable, loans and advances	(7.23)	-	(7.23)
Trade and other payables	(261.35)	-	(261.35)
Others	-	23.06	23.06
<b>Total Deferred tax Liability</b>	<b>(6,173.95)</b>	<b>2,218.45</b>	<b>(3,955.50)</b>

Significant component of net deferred tax liability and assets for the year ended 31st March, 2017 are as follows:

Particulars	Note No.	(₹ in lakhs)				
		Opening Balance	Recognised through Profit or Loss	Recognised in/ reclassified from Other Comprehensive Income	Other adjustments	Closing Balance
Property, Plant and Equipment		(5,799.65)	(537.21)	-	-	(6,336.86)
Unamortised borrowing Cost		(100.95)	34.67	-	-	(66.28)
Provision for employee Benefits		518.62	(10.13)	32.35	-	540.84
Voluntary retirement & Other benefits allowable on amortisation basis		127.39	(71.94)	-	-	55.45
MAT Credit	26.1	1,549.38	-	-	(281.26)	1,268.12
Unrealised Gain(loss) on security carried at fair value through P&L/OCI		(4.77)	(4.87)	-	-	(9.64)
Receivable, loans and advances		(7.23)	7.42	-	-	0.19
Trade and other payables		(261.35)	9.19	-	-	(252.16)
Others		23.06	6.21	-	-	29.27
<b>Total Deferred tax Liability</b>		<b>(3,955.50)</b>	<b>(566.66)</b>	<b>32.35</b>	<b>(281.26)</b>	<b>(4,771.07)</b>

## NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Significant component of net deferred tax liability and assets for the year ended 31st March, 2016 are as follows:

Particulars	(₹ in lakhs)			
	Opening Balance	Recognised through Profit or Loss	Recognised in/ reclassified from Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(5,348.85)	(450.80)	-	(5,799.65)
Unamortised borrowing Cost	(116.98)	16.03	-	(100.95)
Provision for employee Benefits	472.09	30.50	16.03	518.62
Voluntary retirement & Other benefits allowable on amortisation basis	162.75	(35.36)	-	127.39
MAT Credit	1,549.38	-	-	1,549.38
Unrealised Gain(loss) on security carried at fair value through P&L/OCI	(4.29)	(0.48)	-	(4.77)
Receivable, loans and advances	(9.83)	2.60	-	(7.23)
Trade and other payables	(253.51)	(7.84)	-	(261.35)
Others	18.07	4.99	-	23.06
<b>Total Deferred tax Liability</b>	<b>(3,531.17)</b>	<b>(440.36)</b>	<b>16.03</b>	<b>(3,955.50)</b>

26.1 Other adjustment represents MAT credit utilisation against regular income tax liability.

### 27// NON CURRENT LIABILITY - OTHERS

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Advance from Consumers	2,129.23	2,178.18	859.13
Deferred Credit for long term payable	1,269.39	1,878.69	2,560.97
<b>Total</b>	<b>3,398.62</b>	<b>4,056.87</b>	<b>3,420.10</b>

### 28// CURRENT FINANCIAL LIABILITY - BORROWINGS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Secured - from banks</b>				
Repayable on demand - Cash Credit	28.1	8,629.29	8,229.13	2,828.66
Short Term Loan	28.2	2,500.00	2,500.00	8,500.00
<b>Unsecured - from banks</b>				
Repayable on demand - overdraft from bank	28.3	-	-	454.40
from other parties		-	-	-
Inter Corporate Deposit		200.00	6,700.00	-
<b>Total</b>		<b>11,329.29</b>	<b>17,429.13</b>	<b>11,783.06</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- 28.1 (a)** Includes ₹ 2,981.49 lakhs (₹ 2,808.80 lakhs as on March 31, 2016 and ₹470.76 lakhs as on April 1, 2015) secured by first pari passu charge on current assets both present and future and second pari-passu charge on fixed assets of the company charged against Non Convertible Debentures of ₹ 10,000 lakhs as given in note 22.1 (a).
- 28.1 (b)** Includes ₹ 2,652.70 lakhs (₹ 3,646.31 lakhs as on March 31, 2016 and ₹ 2,164.92 lakhs as on April 1, 2015) secured by first charge, ranking pari passu on current assets both present and future.
- 28.1 (c)** Includes ₹ 2,894.46 lakhs (₹ 1,066.17 lakhs as on March 31, 2016 and ₹ 130.39 lakhs as on April 1, 2015) secured by first pari passu charge on current assets both present and future.
- 28.1 (d)** Includes ₹ 100.64 lakhs (₹ 707.85 lakhs as on March 31, 2016 and ₹ 62.59 lakhs as on April 1, 2015) secured by first pari passu charge on current assets both present and future and exclusive charge on certain movable fixed assets of Dhasal sub-station.
- 28.2 (a)** Includes ₹ 2,500 lakhs (₹ 2,500 lakhs as on March 31, 2016, ₹ 5,000 lakhs as on April 1, 2015) towards working capital demand loan repayable after 6 months from disbursement i.e. January 3, 2017 and is secured by first pari passu charge on current assets of the company both present & future.
- 28.2 (b)** Includes ₹ Nil (Nil as on March 31, 2016, ₹ 3,500 lakhs as on April 1, 2015) towards working capital demand loan repayable after 92 days from disbursement i.e. March 24, 2015 and is secured by first pari passu charge on entire current assets of the company.
- 28.3** Includes ₹ Nil (Nil as on March 31, 2016, ₹ 454.40 lakhs as on April 1, 2015) is secured by lien on fixed deposit of ₹ 500 lakhs of IPCL Power Trading Pvt. Limited, a subsidiary of the Company.

## 29// CURRENT FINANCIAL LIABILITY - TRADE PAYABLES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	29.1	74.35	0.80	0.43
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006		7,094.74	7,213.92	6,689.40
<b>Total</b>		<b>7,169.09</b>	<b>7,214.72</b>	<b>6,689.83</b>

### 29.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro enterprise and small enterprises are based on information available with the Company. There are no delays in payment made to such suppliers. There is no overdue amount outstanding as at the balance sheet date.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 30// CURRENT FINANCIAL LIABILITY - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Current Maturity for long term Borrowings	22.1& 22.2	4,063.81	5,532.17	2,882.89
Interest Accrued but not due on borrowings		521.60	623.12	671.39
Interest on consumer security Deposit		366.83	269.50	185.60
Security deposit received		623.47	593.97	98.89
Payable for purchase of capital goods		152.68	440.81	218.49
Other payable		1,403.98	521.55	560.62
Unpaid/unclaimed dividend	30.1	78.03	58.11	39.16
<b>Total</b>		<b>7,210.40</b>	<b>8,039.23</b>	<b>4,657.04</b>

30.1 Unclaimed dividend does not include any amount due and outstanding to be credited to Investor Education and Protection fund.

## 31// OTHER CURRENT LIABILITY

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Advance from Consumers	50.67	13.96	76.57
Statutory Dues Payable	1,933.18	2,028.68	1,983.22
Deferred Credit	609.31	682.28	709.67
<b>Total</b>	<b>2,593.16</b>	<b>2,724.92</b>	<b>2,769.46</b>

## 32// CURRENT LIABILITY - PROVISIONS

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Employee Benefit	1,314.09	1,291.43	1,163.24
Provision for wealth tax	-	-	5.69
<b>Total</b>	<b>1,314.09</b>	<b>1,291.43</b>	<b>1,168.93</b>

## 33// REVENUE FROM OPERATIONS

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Energy	33.1	44,262.94	55,319.49
Other operating revenues	33.2	758.03	918.96
<b>Total</b>		<b>45,020.97</b>	<b>56,238.45</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 33.1.1 Regulatory

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Energy (₹ in lakhs)	38,893.28	49,608.26
Sale of Energy (in Kwh)	676739776	796732137

## 33.1.2 Non Regulatory

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Energy (₹ in lakhs)	5,369.66	5,711.23
Sale of Energy (in Kwh)	133371593	140227447

## 33.2 Other operating revenues includes

Particulars	Year ended 31st March, 2017	(₹ in lakhs) Year ended 31st March, 2016
Meter Rent	29.18	32.85
Proceeds of Carbon Credits	-	6.37
Compensation Received	-	250.00
Delayed payment charges	617.79	530.55
Incentive on wind power generation	61.02	64.24
Liabilities written back	-	7.97
Miscellaneous income	50.04	26.98
<b>Total</b>	<b>758.03</b>	<b>918.96</b>

## 34// OTHER INCOME

Particulars	Note No.	Year ended 31st March, 2017	(₹ in lakhs) Year ended 31st March, 2016
Interest income on investment in Bonds and Securities - long term	34.1	23.92	44.82
Interest Income on Deposits and Others	34.1	614.91	828.46
Interest income on unwinding of financial instruments		690.37	734.74
Gain on fair valuation of Mutual fund		24.34	2.42
Gain on Foreign Exchange Fluctuation		-	21.09
Dividend Income on long term Investments		7.53	5.53
Profit on sale of Investments - long term		0.07	1.80
Rent Received		20.47	19.98
Insurance Claim received		-	60.74
Depreciation Reversal (net of loss on sale/discard of fixed assets ₹ 7.77 lakhs)	34.2	477.92	-
Misc Receipts		55.44	19.51
Profit on sale of stores/scrap		-	58.01
<b>Total</b>		<b>1,914.97</b>	<b>1,797.10</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

34.1 Interest income includes ₹ 49.18 lakhs being interest received/accrued during the year on reserve for Unforeseen Exigencies Investment, which has been appropriated to Reserve for unforeseen exigencies - Interest in terms of Tariff Regulations as given below:

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest Accrued and Received during the year	13.42	25.58
Interest Accrued during the year but not received	35.76	18.44
<b>Total</b>	<b>49.18</b>	<b>44.02</b>

34.2 As stated in Note 17.1 on handing/taking over certificate of vacant and peaceful possession of (CPS) was completed on 6th October 2016. Consequent upon this fixed assets and inventory lying in the leased premises at CPS has been adjusted with effect from April 1, 2012 and depreciation already provided from 1.4.2012 has been written back.

## 35// ENERGY PURCHASE

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Energy Purchase	23,280.34	36,923.48
<b>Total</b>	<b>23,280.34</b>	<b>36,923.48</b>

35.1 Purchase of Energy (in Kwh) 664045103 782705983

35.2 Refer note 43.2 for Claim by one of the input energy supplier for arrear charges and increase in tariff rate.

## 36// LEASE RENT

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Lease Rent of Wind Mill	45.1	4,767.43	5,480.18
<b>Total</b>		<b>4,767.43</b>	<b>5,480.18</b>

## 37// EMPLOYEE BENEFITS EXPENSE

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries and Wages	37.1	3,290.01	3,236.79
Contributions to Provident and other funds		390.72	403.20
Staff Welfare expenses		154.81	198.67
<b>Total</b>		<b>3,835.54</b>	<b>3,838.66</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

37.1 (i) Exclude amounts incurred for work for consumers and capital jobs	41.29	54.30
(ii) Include Voluntary Retirement Compensation Paid	-	97.97

## 38// FINANCE COSTS

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Interest (net)	38.1	5,246.96	3,602.86
Other Borrowing Costs		593.38	504.50
<b>Total</b>		<b>5,840.34</b>	<b>4,107.36</b>

38.1 Interest of ₹ 6,354.03 lakhs (previous year ₹ 5,276.24 lakhs) pertaining to project undertaken by IPC(H)L being claimed as recoverable as cost thereto, has been netted off.

## 39// DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation	6	1,692.95	1,701.79
Amortisation	7	91.72	94.93
<b>Total</b>		<b>1,784.67</b>	<b>1,796.72</b>

## 40// OTHER EXPENSES

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Consumption of Stores and Spare parts		158.84	174.71
Repairs			
Buildings		83.88	94.66
Machinery		308.61	294.72
Transmission and Distribution network		130.96	64.13
Others		174.72	612.53
Raw water charges		0.37	1.54
Coal and Ash handling charges		116.84	115.58
Loss on discard/Sale of Fixed Assets (net)		-	5.07
Rent		4.37	3.89
Rates and Taxes		46.54	41.63
Insurance		44.34	36.49
Auditors' Remuneration - (excluding service tax)			
Audit Fees		10.00	10.00
For Certification		20.05	19.91
Loss on Foreign Exchange Fluctuation		59.45	-

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 40// OTHER EXPENSES (CONTD.)

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Directors' Fees (inclusive of service tax of ₹ 2.56 lakhs, previous year ₹ 1.52 lakhs)		19.71	12.28
Commission to Directors (inclusive of service tax of ₹ 9.24 lakhs, previous year ₹ 5.53 lakhs)		70.71	50.28
Allowance for bad and doubtful debts (net)	13.4	17.99	66.64
Miscellaneous Expense	40.1	1,162.82	993.47
<b>Total</b>		<b>2,430.20</b>	<b>2,134.02</b>

40.1 Includes ₹ 63.88 lakhs (previous year ₹ 32.36 lakhs), expenditure incurred towards Corporate Social Responsibility.

41// Exceptional items of ₹ 4,673.56 lakhs is on account of receipt of ₹ 26,734 lakhs for completion of acquisition of shares of Meenakshi Energy Limited (a subsidiary company) and expenses on account of waiver of ₹ 862 lakhs against Late payment surcharge receivable from Rajasthan Discom, ₹ 11,630.27 lakhs of interest receivable from IPC(H)L and ₹ 9,568.17 lakhs regulatory accruals, being no longer recoverable. The above items being material and unrelated to normal operations have been categorised and disclosed as exceptional items.

## 42// TAXES

(a) The major components of income tax expense for the year are as under:

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax:		
- Current year	1,645.63	745.89
Deferred tax	566.66	440.36
<b>Total Income tax expenses recognised in statement of profit and loss</b>	<b>2,212.29</b>	<b>1,186.25</b>
(ii) Income tax expense recognised in OCI		
Deferred tax expense on remeasurement of defined benefit plans	32.35	16.03
<b>Income tax expense recognised in OCI</b>	<b>32.35</b>	<b>16.03</b>

(b) Reconciliation of tax expense

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before tax	6,124.33	4,421.34
Statutory income tax rate of 34.608% (31st March, 2016: 34.608%)	2,119.51	1,530.14
Less: Exemptions/Deductions		
Dividend	(2.60)	(1.91)
Investment allowance @15%	-	(283.32)
Add: Non Deductible expenses for tax purpose		
CSR expenditure	22.11	11.20
Add/(less) Others	73.27	(69.85)
<b>At effective income tax rate</b>	<b>2,212.29</b>	<b>1,186.25</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>2,212.29</b>	<b>1,186.25</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 43// (a) Contingent Liabilities and Commitments

(to the extent not provided for)

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>43.1</b>	<b>Contingent Liabilities</b>			
a)	Demand from Sales Tax authorities against which Company's appeal is pending	8.86	8.86	8.86
b)	Demand from Service Tax authorities against which Company's appeal is pending	21.49	21.49	
	Others			
c)	Performance Bank Guarantee	43.4	1,329.00	1,329.00
d)	Standby letter of Credit	43.4	934.00	934.00
e)	Unexpired Letter of Credit for purchase of power		1,224.86	286.00
f)	Corporate Guarantee	43.5	2,000.00	2,000.00
g)	Bank Guarantee	43.6	4,523.40	
	Bank Guarantee	43.7	1,100.00	
	Bank Guarantee	43.8	48.00	
h)	Corporate Guarantee	43.6	284,484.92	
<b>43.2</b>	Claim of ₹5,695.82 lakhs and ₹ 2,611.57 lakhs by one of the Input Energy Supplier for arrear charges and increase in tariff rate against energy purchased in earlier years and current year respectively for which review petition of input supplier is pending before Tribunal. Such charges in the event of being held to be payable are recoverable from customers and as such it does not have any material impact on the working results of the Company.			
<b>43.3</b>	The Company's pending litigations comprises of claim against the Company and proceedings pending with tax/statutory/ Government Authorities. The Company has reviewed all its pending litigation and proceedings and has made adequate provisions, and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of 43.1(a) and (b) above are determinable only on receipt of judgement/decisions pending with various forums/ authorities.			
<b>43.4</b>	Given in terms of Distribution Franchise Agreement (DFA) for Distribution of electricity which is being carried on by India Power Corporation (Bodhgaya) Ltd.			
<b>43.5</b>	Given to Bank for credit facility availed by 100% wholly owned Subsidiary India Power Corporation (Bodhgaya) Ltd.			
<b>43.6</b>	Given to bank for Credit facility availed by Meenakshi Energy Limited, a subsidiary.			
<b>43.7</b>	Given on behalf of India Power Corporation (Haldia) Limited, an associate for standby power purchase.			
<b>43.8</b>	Given on behalf of IPCL Power Trading Private Limited, a subsidiary for power supply to TS Discoms.			
<b>43 (b)</b>	<b>Commitment</b>			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 33.43 lakhs, ₹ 49.42 lakhs as on 31.03.2016 and ₹ 163.55 lakhs as on 01.04.2015)	966.20	232.00	286.55

## NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

43 (c) Corporate guarantees given in 43.1 (f) and (h) above are in the nature of insurance contract.

44// Capital work in progress including contributory jobs includes cost of equipments and other civil and construction cost amounting to ₹ 1,414.68 lakhs (₹ 888.30 lakhs as on 31.03.2016 and ₹ 1,110.44 lakhs as on 01.04.2015) for ongoing projects and pre-operative expenses as detailed below. These are allocated to respective assets on capitalisation.

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
Brought forward from previous year	30.96	1,314.35
Interest expense	-	149.40
Salaries and wages	43.83	16.49
Consultancy charge	60.82	-
Miscellaneous	23.23	48.45
	158.84	1,528.69
Less: Allocated to fixed assets/project abandoned	66.22	1,497.73
<b>Carried forward</b>	<b>92.62</b>	<b>30.96</b>

### 45// In the Capacity of Lessee

Certain premises and wind turbine generator are obtained on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

45.1 The Company has taken certain plant and machinery on an operational lease basis. The Company is scheduled to pay lease rentals as follows:

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
(i) Not later than one year	5,124.31	6,172.14	6,186.50
(ii) Later than one year and not later than 5 years	20,497.24	23,192.10	24,963.93
(iii) Later than 5 years	9,823.29	8,879.28	13,279.59

45.2 The Company has taken certain land on finance lease. Carrying value of land taken on lease is ₹ 1,402.18 lakhs (previous year ₹ 1,331.00 lakhs). The Company is scheduled to pay lease rental as follows:

Particulars	31st March, 2017	(₹ in lakhs)				
		Present Value of MLP	31st March, 2016	Present Value of MLP	1st April, 2015	Present Value of MLP
(i) Not later than one year	2.73	-	2.51	-	2.51	-
(ii) Later than one year and not later than 5 years	10.94	0.02	10.03	0.02	10.03	0.02
(iii) Later than 5 years	165.07	20.68	146.20	20.68	148.70	20.69

45.3 The Company has not made any sublease arrangement with other parties.

45.4 The Company has recognised an amount of ₹ 4,767.43 lakhs (previous year ₹ 5,480.18 lakhs) towards lease rent (note 36) and ₹ 4.37 lakhs (previous year ₹ 3.89 lakhs) for rent of premises (note 40) for the year.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

45.5 Significant features of aforesaid lease arrangements are as follows:

- i) The Company will pay the fixed lease rent over the lease period . There is no contingent lease rent except for wind mills where in lease rent is contingent on revenue receipt.
- ii) Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.
- iii) There are no restrictions imposed on the Company by the existing lease agreements.

## 45.6 In the Capacity of Lessor

Further, the Company also has certain non-cancellable operating lease arrangements for office premises, which covers for a period of 5 years and are usually renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease earning for the year aggregating to ₹ 13.35 lakhs (Previous year ₹ 12.78 lakhs) have been recognised in the Statement of Profit and Loss.

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
(i) Not later than one year	13.59	13.15	8.70
(ii) Later than one year and not later than 5 years	10.97	22.42	17.40
(iii) Later than 5 years	-	-	-

## 46// RELATED PARTY DISCLOSURES

Related parties have been identified in terms of Ind As 24 on "Related Party Disclosure" as listed below :

### List of Related Parties where control exists

Name of the Related Party	Relationship
India Power Corporation (Bodhgaya) Limited	Wholly owned Subsidiary
IPCL Pte Ltd.	Wholly owned Subsidiary
IPCL Power Trading Pvt. Limited	Subsidiary
India Power Green Utility Pvt. Ltd.	Wholly owned Subsidiary w.e.f. 30th December, 2015
Matsya Shipping and Ports Pvt. Ltd.	Wholly owned Subsidiary w.e.f. 19th February, 2016 and Joint Venture w.e.f. 27th March, 2017
Meenakshi Energy Limited	Subsidiary w.e.f. 30th September, 2016
India Power Corporation (Haldia) Limited	Subsidiary upto 30th March, 2017 and Associate w.e.f. 31st March, 2017
India Uniper Power Services Pvt Ltd	Subsidiary from 2nd August, 2016 to 5th January, 2017 and Joint Venture w.e.f. 6th January, 2017
Edison Power Limited	Subsidiary of IPCL Pte Ltd. w.e.f. from 25th August, 2015
PL Sunrays Limited	Subsidiary of India Power Green Utility Pvt. Ltd. w.e.f. 23rd February, 2017
PL Solar Renewable Limited	Subsidiary of India Power Green Utility Pvt. Ltd. w.e.f. 23rd February, 2017
<b>Key Management Personnel</b>	<b>Relationship</b>
Mr. Hemant Kanoria	Chairman & Non Executive Director
Mr. Sunil Kanoria	Non - Executive Director
Mr. Jyoti Kumar Poddar	Non - Executive Director
Mr. Nand Gopal Khaitan	Independent Director
Mr. Amit Kiran Deb	Independent Director

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 46// RELATED PARTY DISCLOSURES (CONTD.)

Name of the Related Party	Relationship
Mr. Debi Prasad Patra	Independent Director
Mr. Tantra Narayan Thakur	Independent Director
Mr. S. Sundareshan	Independent Director
Ms. Dipali Khanna	Independent Director
Mr. Asok Kumar Goswami	Whole time Director
Mr. Shrirang Karandikar	Chief Executive Officer
Mr. Laxmi Narayan Mandhana	Chief Financial Officer up to 18th July, 2016
Mr. Sushil Kr. Agarwal	Chief Financial Officer (from 6th December, 2016)
Mr. Nitin Bagaria	Company Secretary (up to 13th August, 2015)
Mr. Prashant Kapoor	Company Secretary (from 14th August, 2015)

## 46.1 Balances outstanding of Subsidiaries, Joint Ventures and Associate

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Outstanding Balance</b>				
<b>Loans Given</b>				
India Power Corporation (Bodhgaya) Limited		25.00	478.00	-
IPCL Pte Ltd.		337.55	327.32	229.22
Matsya Shipping & Ports Pvt. Limited		5.00	-	-
IPCL Power Trading Pvt. Limited		170.00	-	-
Meenakshi Energy Ltd.		6,364.00	-	-
India Power Green Utility Pvt. Ltd.		464.00	-	-
<b>Investments</b>				
<b>Equity</b>				
India Power Corporation (Bodhgaya) Limited		10.00	10.00	10.00
IPCL Pte Ltd.		5.94	5.94	5.94
IPCL Power Trading Pvt. Limited		520.00	520.00	520.00
India Power Green Utility Pvt. Limited		11.00	11.00	-
Matsya Shipping and Ports Pvt. Ltd.		0.50	1.00	-
India Uniper Power Services Pvt. Ltd.		352.50	-	-
Meenakshi Energy Ltd.		0.01	-	-
<b>Fully and Compulsorily Convertible Debenture</b>				
India Power Corporation (Haldia) Limited		-	28,536.07	-
<b>Compulsorily Convertible Preference Shares</b>				
India Power Corporation (Haldia) Limited		30,682.70	30,682.40	30,682.40
<b>Trade Receivable</b>				
India Power Corporation (Bodhgaya) Limited		34.33	13.47	-
<b>Interest Receivable</b>				
IPCL Pte Ltd.		24.90	25.03	-
India Uniper Power Services Pvt. Ltd.		0.59	-	-
India Power Corporation (Haldia) Limited		-	357.36	-
IPCL Power Trading Pvt. Limited		2.12	-	-

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 46.1 Balances outstanding of Subsidiaries, Joint Ventures and Associate (Contd.)

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
India Power Green Utility Pvt. Ltd.		5.91	-	-
Meenakshi Energy Ltd.		79.29	-	-
<b>Other Receivable</b>				
India Power Corporation (Haldia) Limited		-	5,276.24	-
<b>Interest Payable</b>				
IPCL Power Trading Pvt. Limited		18.93	16.95	-
<b>Security Deposit</b>				
IPCL Power Trading Pvt. Limited		500.00	500.00	-
<b>Advance</b>				
Meenakshi Energy Ltd.		35.59	-	-
India Power Corporation (Haldia) Limited		46.67	-	-
<b>Bank Guarantee Outstanding</b>				
India Power Corporation (Bodhgaya) Limited	43.4	2,263.00	2,263.00	2,263.00
Meenakshi Energy Limited	43.6	4,523.40	-	-
IPCL Power Trading Pvt. Limited	43.8	48.00	-	-
India Power Corporation (Haldia) Limited	43.7	1,100.00	-	-
<b>Corporate Guarantee Outstanding</b>				
India Power Corporation (Bodhgaya) Limited	43.5	2,000.00	2,000.00	-
Meenakshi Energy Limited	43.6	284,484.92	-	-

## 46.2 Details of Related party transactions during the year

Particulars	(₹ in lakhs)	
	Subsidiaries, Joint Venture and Associates	
	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Loan given</b>		
India Power Corporation (Bodhgaya) Limited	261.00	5,045.41
IPCL Pte Ltd.	9.02	98.10
Matsya Shipping & Ports Pvt. Limited	5.00	-
India Uniper Power Services Pvt. Ltd.	40.00	-
IPCL Power Trading Pvt. Limited	570.00	-
Meenakshi Energy Ltd.	6,364.00	-
India Power Green Utility Pvt. Ltd.	464.00	-
<b>Loan repaid</b>		
India Power Corporation (Bodhgaya) Limited	714.00	4,567.41
IPCL Power Trading Pvt. Limited	400.00	-
India Uniper Power Services Pvt. Ltd.	40.00	-
Meenakshi Energy Ltd.	-	-
<b>Advance given</b>		
India Uniper Power Services Pvt. Ltd.	31.02	-
Matsya Shipping & Ports Pvt. Limited	3.00	-

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 46.2 Details of Related party transactions during the year (Contd.)

Particulars	(₹ in lakhs)	
	Subsidiaries, Joint Venture and Associates Year ended 31st March, 2017	Year ended 31st March, 2016
Meenakshi Energy Limited	52.52	-
IPCL Power Trading Pvt. Limited	50.00	-
India Power Corporation (Haldia) Limited	46.67	-
<b>Advance received</b>		
India Power Corporation (Bodhgaya) Limited	948.00	-
<b>Security deposit received</b>		
IPCL Power Trading Pvt. Limited	1,150.00	-
<b>Refund of advance given</b>		
India Uniper Power Services Pvt. Ltd.	31.02	-
Matsya Shipping & Ports Pvt. Limited	3.00	-
Meenakshi Energy Limited	16.93	-
IPCL Power Trading Pvt. Limited	50.00	-
<b>Refund of advance received</b>		
India Power Corporation (Bodhgaya) Limited	948.00	-
<b>Security deposit refund</b>		
IPCL Power Trading Pvt. Limited	1,150.00	-
Investment in equity shares		
India Uniper Power Services Pvt. Ltd.	355.00	-
Meenakshi Energy Ltd.	0.01	-
<b>Investment in Fully and Compulsorily Convertible Debenture (FCCD)</b>		
India Power Corporation (Haldia) Limited	20,510.00	28,536.07
<b>Transaction during the year</b>		
<b>Interest income</b>		
India Power Corporation (Bodhgaya) Limited	11.59	62.06
IPCL Pte Ltd.	28.51	25.03
Matsya Shipping & Ports Pvt. Limited	-	-
India Uniper Power Services Pvt. Ltd.	0.59	-
Meenakshi Energy Ltd.	79.29	-
India Power Green Utility Pvt. Ltd.	5.91	-
IPCL Power Trading Pvt. Limited	2.12	-
<b>Others Recoverable</b>		
India Power Corporation (Haldia) Limited	6,354.03	5,276.24
<b>Sale of store materials</b>		
India Power Corporation (Bodhgaya) Limited	11.14	13.47
<b>Interest expense</b>		
IPCL Power Trading Pvt. Limited	42.50	16.95
<b>Reimbursement against expense</b>		
India Power Corporation (Bodhgaya) Limited	19.48	-
IPCL Power Trading Pvt. Limited	0.37	-

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 46.3 Details of transactions with Key Management Personnel during the year

(₹ in lakhs)

Particulars	KMP and Relatives of KMP	
	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Remuneration to Key Management Personnel of the Company</b>		
Short term employee benefits	180.77	200.35
Post employment benefit	0.93	1.43
Long term employment benefit	5.85	5.29
Termination benefit	8.29	8.58
<b>Director sitting fee</b>	<b>17.15</b>	<b>10.76</b>
<b>Director commission</b>	<b>61.47</b>	<b>44.75</b>

## 47// EARNING PER SHARE

Particulars	Basic and Diluted excluding Regulatory income/(expense)		Basic and Diluted including Regulatory income/(expense)	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Profit after tax (₹ in lakhs)	6,164.80	1,011.31	3,807.64	3,330.42
Number of equity shares	973789640	973789640	973789640	973789640
Number of equity shares in Share Capital Suspense Account (note 5.1)	604143449	604143449	604143449	604143449
Total number of shares	1577933089	1577933089	1577933089	1577933089
Earning per share (Basic and Diluted) (₹)	0.39	0.06	0.24	0.21
Face Value per equity share (₹)	1	1	1	1

## 48// EMPLOYEE BENEFITS

### Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India (LICI), make payments to vested employees on their cessation of employment, death or incapacitation of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of ₹ 10.00 lakhs. Vesting occurs upon completion of five years of service.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 6.65 years (March 31, 2016 is 7.76 years).

### Post Retirement Obligation - Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LIC. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 1.83 years (March 31, 2016 is 2.75 years).

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## Post Retirement Obligation - Lump sum payment in lieu of Pension (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 9.35 years (March 31, 2016 is 9.51 years).

### 48.1 Employee benefit obligation

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
	Gratuity (funded)	1,242.13	-	1,254.98	-	1,070.84
Superannuation (funded)	13.03	-	(4.57)	-	50.50	-
Pension	5.07	33.85	6.62	35.23	5.91	37.76
<b>Total</b>	<b>1,260.23</b>	<b>33.85</b>	<b>1,257.03</b>	<b>35.23</b>	<b>1,127.25</b>	<b>37.76</b>

(₹ in lakhs)

### 48.2 Reconciliation of opening and closing balances of the present value of defined benefit obligations

Particulars	Funded						Unfunded		
	Gratuity			Superannuation Fund			Lump sum payment in lieu of Pension		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening balance	1,305.43	1,300.63	1,260.48	15.51	71.29	58.24	41.85	43.67	43.01
Current service cost	62.88	60.14	63.11	-	-	2.25	1.32	1.42	1.46
Interest cost	93.59	93.71	105.03	1.13	3.21	5.10	3.00	3.04	3.72
Plan amendments									
Actuarial (gain)/loss	48.35	43.33	109.64	4.27	2.02	5.70	(0.65)	2.97	0.58
Benefits paid	(198.64)	(192.38)	(237.63)	-	(61.01)	-	(6.60)	(9.25)	(5.10)
Closing balance	1,311.61	1,305.43	1,300.63	20.91	15.51	71.29	38.92	41.85	43.67

(₹ in lakhs)

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 48.3 Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in lakhs)

Particulars	Gratuity			Superannuation Fund		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening balance	50.45	229.80	445.10	20.08	20.79	18.06
Expected return on Plan Assets	20.36	10.39	28.55	1.46	1.57	1.59
Actuarial gain/(loss)	(27.85)	2.64	(6.22)	(13.66)	(0.65)	0.83
Contribution	225.16	-	-	-	59.38	0.31
Benefits paid	(198.64)	(192.38)	(237.63)	-	(61.01)	-
Closing balance	69.48	50.45	229.80	7.88	20.08	20.79

## 48.4 Amount recognised in Balance Sheet

(₹ in lakhs)

Particulars	Funded						Unfunded		
	As at 31st March, 2017	Gratuity		Superannuation Fund			As at 31st March, 2017	Lump sum payment in lieu of Pension	
As at 31st March, 2016		As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2016		As at 1st April, 2015	
Present value of obligation	(1,311.61)	(1,305.43)	(1,300.63)	(20.91)	(15.51)	(71.29)	(38.92)	(41.85)	(43.67)
Fair Value of Plan Assets	69.49	50.45	229.80	7.88	20.08	20.79	-	-	-
Net Asset/(Liability)	(1,242.12)	(1,254.98)	(1,070.83)	(13.03)	4.57	(50.50)	(38.92)	(41.85)	(43.67)

## 48.5 Amount recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Current service cost	62.88	60.14	-	-	1.32	1.42
Interest cost	93.60	93.71	1.13	3.21	2.99	3.04
Expected return on Plan Assets	(20.36)	(10.39)	(1.46)	(1.57)	-	-
Recognised in Profit and Loss Account Under	136.12	143.46	(0.33)	1.64	4.31	4.46
			Contribution to Provident and Other Funds		Salaries, Wages and Bonus	

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 48.6 Amount recognised in the statement of Other Comprehensive Income

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Net Cumulative unrecognised actuarial (gain)/loss opening	388.94	348.25	72.79	70.12	12.46	9.49
Experience adjustments on Plan Assets (gains)/ loss	27.85	(2.64)	13.66	0.65	-	-
Actuarial (gain)/ loss for the year	48.35	43.33	4.28	2.02	0.65	2.97
Unrecognised actuarial (gain)/loss at the end of the year	465.14	388.94	90.73	72.79	13.11	12.46

## 48.7 Experience adjustment on Plan Liabilities and Assets

(₹ in lakhs)

Particulars	Gratuity			Superannuation Fund			Lump sum payment in lieu of pension		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Defined benefit obligations	1,311.61	1,305.43	1,300.63	20.91	15.51	71.29	38.92	41.85	43.67
Plan assets	69.49	50.45	229.80	7.88	20.08	20.79	-	-	-
Surplus/(Deficit)	(1,242.12)	(1,254.98)	(1,070.83)	(13.03)	4.57	(50.50)	(38.92)	(41.85)	(43.67)
Experience adjustments on Plan liabilities (gains)/loss	(3.42)	41.78	39.05	1.31	1.77	5.19	(1.86)	2.93	(2.01)
Experience adjustments on Plan Assets (gains)/loss	27.85	(2.64)	6.22	13.66	0.65	(0.83)	-	-	-
Actuarial (gain)/ loss on Plan liabilities due to change of assumptions	51.77	1.55	70.59	2.96	0.25	0.51	1.22	0.04	2.59

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 48.8 Breakup of Actuarial gain/loss:

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	51.77	1.55	2.96	0.25	1.22	0.04
Actuarial (gain)/loss on arising from experience adjustment	(3.42)	41.78	1.31	1.77	(1.86)	2.93
<b>Total</b>	<b>48.35</b>	<b>43.33</b>	<b>4.27</b>	<b>2.02</b>	<b>(0.64)</b>	<b>2.97</b>

(₹ in lakhs)

## 48.9 Sensitivity Analysis

Particulars	Gratuity		Superannuation Fund		Lump sum payment in lieu of pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Impact of the change in discount rate						
-increase of 1 %	58.44	55.58	-	-	1.25	1.34
-decrease of 1 %	68.02	65.42	-	-	1.41	1.51
Impact of the change in salary increase						
-increase of 1 %	68.03	65.42	-	-	-	-
-decrease of 1 %	58.32	55.48	-	-	-	-
Impact of change in withdrawal rate						
-increase of 50 %	63.01	60.34	-	-	1.33	1.42
-decrease of 50 %	62.75	59.94	-	-	1.33	1.42
Impact of change in Mortality rate						
-increase of 10 %	62.94	60.22	-	-	1.33	1.42
-decrease of 10 %	62.82	60.06	-	-	1.32	1.42

(₹ in lakhs)

Gratuity fund is maintained with LIC and HDFC and Superannuation Fund is maintained with LIC.

## NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

### 48.10 Principal Actuarial Assumptions used for estimating the Company's defined benefit obligations are set out below:

Particulars	(₹ in lakhs)					
	Gratuity		Superannuation Fund		Lump sum payment in lieu of pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Discount rate	6.93	7.76	6.26	7.26	7.12	7.76
Expected rate of increase in salary	3.50	3.50	3.50	3.50	-	-
Expected rate of return of plan assets	6.93	7.76	6.26	7.26	-	-
Mortality rate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate				

\*IALM- Indian Assured Lives Mortality

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**48.11** The contribution to the defined benefit plans expected to be made by the Company during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.

**49//** During the year ₹ 231.46 lakhs has been recognised as expenditure towards defined contribution plans of the company (previous Year ₹ 256.06 lakhs).

**50//** The business of the Company falls within a single primary segment viz. "Generation and Distribution of Power in India" and hence segment information in terms of Indian Accounting Standard (Ind AS) 108 "Operating Segments" is not required.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 51// FINANCIAL INSTRUMENT - (FINANCIAL ASSETS AND FINANCIAL LIABILITIES)

### 51.1 Categories of Financial Instruments

Details with respect to financial assets and financial liabilities are as follows:

Particulars	31st March, 2017			31st March, 2016			1st April, 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>									
Investments									
- Equity investments	-	279.55	-	-	327.53	-	-	161.32	-
- Bonds and debentures	-	2.50	209.05	-	2.50	249.98	-	2.50	288.18
- Mutual funds	172.47	-	-	146.13	-	-	142.21	-	-
- Government securities	-	-	2.92	-	-	2.92	-	-	2.92
Trade receivables	-	-	5,952.48	-	-	9,248.99	-	-	7,910.86
Loans	-	-	7,791.89	-	-	2,231.05	-	-	518.49
Cash and cash equivalents	-	-	782.82	-	-	1,302.64	-	-	996.15
Fixed deposit	-	-	6,632.52	-	-	962.22	-	-	813.34
Beneficial interest in Power Trust	-	81,878.04	-	-	81,900.83	-	-	81,902.66	-
Receivable others	-	-	21,472.62	-	-	5,684.02	-	-	330.56
Accrued interest	-	-	342.41	-	-	1,054.20	-	-	422.76
<b>Total financial assets</b>	<b>172.47</b>	<b>82,160.09</b>	<b>43,186.71</b>	<b>146.13</b>	<b>82,230.86</b>	<b>20,736.02</b>	<b>142.21</b>	<b>82,066.48</b>	<b>11,283.26</b>
<b>Financial liabilities</b>									
Borrowings	-	-	54,787.99	-	-	79,788.87	-	-	50,611.40
Trade payables	-	-	10,388.42	-	-	10,086.81	-	-	9,338.80
Consumer advances	-	-	2,424.21	-	-	2,162.73	-	-	2,305.46
Others	-	-	10,572.68	-	-	11,041.38	-	-	7,255.68
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>78,173.30</b>	<b>-</b>	<b>-</b>	<b>103,079.79</b>	<b>-</b>	<b>-</b>	<b>69,511.34</b>

### 51.2 Fair Value Hierarchy

The Company categorises assets and liabilities measured at fair value into one of the three levels depending on the ability to observe inputs employed in their measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on recurring basis.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (a) Financial Assets and Liabilities measured at Fair Value

					(₹ in lakhs)
At 31st March, 2017	Date of valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial investment at FVTPL</b>					
Mutual funds	31-03-2017	172.47	-	-	172.47
<b>Financial investment at FVTOCI</b>					
Listed equity investment	31-03-2017	279.55	-	-	279.55
Unquoted equity instrument		-	-	37.34	37.34
Bonds and debentures	31-03-2017	-	-	2.50	2.50
Beneficial interest in Power Trust	31-03-2017	-	-	81,878.04	81,878.04
<b>Total Financial Assets</b>		<b>452.02</b>	<b>-</b>	<b>81,917.88</b>	<b>82,369.90</b>

					(₹ in lakhs)
At 31st March, 2016	Date of valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial investment at FVTPL</b>					
Mutual funds	31-03-2016	146.13	-	-	146.13
<b>Financial investment at FVTOCI</b>					
Listed equity investment	31-03-2016	263.50	-	-	263.50
Unquoted equity instrument		-	25.80	38.23	64.03
Bonds and debentures	31-03-2016	-	-	2.50	2.50
Beneficial interest in Power Trust	31-03-2016	-	-	81,900.83	81,900.83
<b>Total Financial Assets</b>		<b>409.63</b>	<b>25.80</b>	<b>81,941.56</b>	<b>82,376.99</b>

					(₹ in lakhs)
At 01st April, 2015	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	01-04-2015	142.21	-	-	142.21
<b>Financial Investment at FVTOCI</b>					
Listed equity investment	01-04-2015	135.47	-	-	135.47
Unquoted equity instrument		-	25.80	0.05	25.85
Bonds and debentures	01-04-2015	-	-	2.50	2.50
Beneficial interest in Power Trust	01-04-2015	-	-	81,902.66	81,902.66
<b>Total Financial Assets</b>		<b>277.68</b>	<b>25.80</b>	<b>81,905.21</b>	<b>82,208.69</b>

During the year ended March 31, 2017 and March 31, 2016 there were no transfer between level 1, level 2 and level 3 fair value measurement.

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## b) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- i) The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised cost in the financial statements approximates their fair values.
- ii) Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value of such long-term debt approximates fair value subject to adjustments made for transaction cost.
- iii) Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.
- iv) Valuation of beneficial interest in Power Trust has been arrived by adopting Discounted Free Cash Flow method (DCF) and Profit Earning capacity value method (PECV) with respect to investment held by them. Due weightage has been given by the valuer to the methods adopted. The DCF method estimates the cash flows for each financial period included in the period for projections and discounts this to its present value at an appropriate weighted average cost of capital (WACC). Under PECV method, the equity is valued by multiplying the future maintainable earnings by an appropriate Price/Earnings (P/E) multiple. The valuation is based on the assumptions and estimates considered appropriate by the valuer.
- v) Fair Value for valuation of unquoted equity instruments is arrived at historical Net Asset Value (NAV) based on the financial statements of the respective companies.

## c) Significant Unobservable Inputs Used in Level 3 Fair Values

As at 31 March, 2017	Significant Unobservable Inputs	Sensitivity of input to fair value measurement
(i) Fair valuation of unquoted equity instruments	Historical NAV	Increase in book value by 10% will have a positive impact of ₹ 3.73 lakhs
		Decrease in book value by 10% will have a negative impact of ₹ 3.73 lakhs
(ii) Fair valuation of beneficial interest in Power Trust	Forecast Revenue	Increase in revenue by 10% will have a positive impact of ₹ 76,358 lakhs
		Decrease in revenue by 10% will have a negative impact of ₹ 80,143 lakhs
	Discount factor and P/E multiple	Increase in discount rate by 1% will have a positive impact of ₹ 17,458 lakhs
		Decrease in discount rate by 1% will have a negative impact of ₹ 15,500 lakhs

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 51.3 Carrying and fair value of financial instrument measured at amortised cost are as follows:

Particulars	(₹ in lakhs)					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
<b>Investments</b>						
Equity instrument	-	-	-	-	-	-
Bonds and debentures	211.97	211.97	252.90	252.90	291.10	291.10
Trade receivable	5,952.48	5,952.48	9,248.99	9,248.99	7,910.86	7,910.86
<b>Loans</b>						
Loan to related parties	7,365.55	7,365.55	805.32	805.32	229.22	229.22
Loan to power trust	-	-	1,270.00	1,270.00	-	-
Loans to employees	22.64	22.64	25.52	25.52	27.49	27.49
Receivable Others	21,472.28	21,472.27	5,810.24	5,810.24	588.62	588.62
Cash & cash equivalent	860.96	860.96	1,363.83	1,363.83	1,035.42	1,035.42
Fixed deposit	6,554.38	6,554.38	901.03	901.03	774.07	774.07
Security deposits	404.05	404.05	3.99	3.99	3.72	3.72
Accrued interest	342.41	342.41	1,054.20	1,054.20	422.76	422.76
<b>Total financial assets</b>	<b>43,186.72</b>	<b>43,186.71</b>	<b>20,736.02</b>	<b>20,736.02</b>	<b>11,283.26</b>	<b>11,283.26</b>
<b>Financial liabilities</b>						
Borrowings	54,787.99	54,568.24	79,788.87	79,477.90	50,611.40	50,227.39
Trade payable	10,388.42	10,388.42	10,086.81	10,086.81	9,338.80	9,338.80
Others	10,572.68	10,572.68	11,041.38	11,041.38	7,255.68	7,255.68
Consumer advances	2,424.21	2,424.21	2,162.73	2,162.73	2,305.46	2,305.46
<b>Total financial liabilities</b>	<b>78,173.30</b>	<b>77,953.55</b>	<b>103,079.79</b>	<b>102,768.82</b>	<b>69,511.34</b>	<b>69,127.33</b>

## 52// FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks – credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

### 52.1 Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables). The Company's exposure to credit risk is influenced mainly by the individual characteristic of each consumer and the concentration of risk from the top few consumers.

The Company extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per terms of Power Purchase agreement (PPA) entered with DISCOMS for non regulatory business. Consumers outstanding are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

is covered with PPA with government undertakings and in case of regulated business outstanding are as governed by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No objection certificate" from the Company. The Company has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent.

Credit risk pertaining to regulatory receivables have been dealt with in note no. 19.1.

## 52.2 Liquidity Risk

The Company's 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 fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs.

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

Particulars				(₹ in lakhs)
	Upto 6 month	6 to 12 Months	Above 12 months	Total
<b>As at 31st March, 2017</b>				
Interest bearing borrowings (including current maturity)				
- Principal	12,263.32	3,196.58	43,595.38	59,055.28
- Interest	2,620.12	2,395.29	23,144.84	28,160.25
Finance lease obligations	2.73	-	176.01	178.74
Trade and other payables	6,292.72	335.99	3,759.71	10,388.42
Other financial liabilities	648.39	1,016.19	7,268.50	8,933.08
<b>Total</b>	<b>21,827.28</b>	<b>6,944.05</b>	<b>77,944.44</b>	<b>106,715.77</b>
<b>As at 31st March, 2016</b>				
Interest bearing borrowings (including current maturity)				
- Principal	12,439.41	25,646.58	47,538.55	85,624.54
- Interest	4,609.92	3,297.43	28,081.00	35,988.35
Finance lease obligations	2.51	-	156.22	158.73
Trade and other payables	7,009.78	11.64	3,055.77	10,077.19
Other financial liabilities	1,360.74	1,088.21	5,232.61	7,681.56
<b>Total</b>	<b>25,422.36</b>	<b>30,043.87</b>	<b>84,064.15</b>	<b>139,530.38</b>
<b>As at 1st April, 2015</b>				
Interest bearing borrowings (including current maturity)				
- Principal	13,020.21	1,224.13	39,604.11	53,848.45
- Interest	2,870.48	2,141.86	10,694.02	15,706.36
Finance lease obligations	2.51	-	158.73	161.24
Trade and other payables	6,627.11	64.43	2,740.23	9,431.77
Other financial liabilities	1,063.15	641.40	4,880.73	6,585.28
<b>Total</b>	<b>23,583.46</b>	<b>4,071.82</b>	<b>58,077.82</b>	<b>85,733.10</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## Unused lines of credit

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured	25,590.39	31,540.84	11,987.73
<b>Total</b>	<b>25,590.39</b>	<b>31,540.84</b>	<b>11,987.73</b>

In terms of loan agreement the Company is required to fulfill specified covenants including more relating to maintaining debt service and other ratios, and failing which the lender has option to call back the loan.

The Company has current financial assets which will be realised in ordinary course of business. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

## 52.3 Market Risk

The Company does not have any material market risk.

## 52.4 Interest rate risk

### (i) Interest rate risk exposure

Interest rate exposure of the Company is mainly on borrowing from banks, which is linked to prime lending rate of bank's lending and the Company does not foresee any risk on the same. Non Convertible Debentures were issued at fixed rate of interest and Inter Corporate Deposits were taken on fixed rate of interest.

(₹ in lakhs)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Variable rate borrowings	48,780.89	51,826.52	26,773.82
Fixed rate borrowings	10,048.72	33,474.04	26,699.76
<b>Total borrowings</b>	<b>58,829.61</b>	<b>85,300.56</b>	<b>53,473.58</b>

### Interest rate of borrowing

(₹ in lakhs)

Particulars	Total Borrowing	Floating Rate Borrowings	Fixed Rate Borrowing	Weighted average Interest Rate
<b>As at 31st March, 2017</b>				
Secured	58,629.61	48,780.89	9,848.72	11.21
Unsecured	200.00	-	200.00	13.37
<b>Total</b>	<b>58,829.61</b>	<b>48,780.89</b>	<b>10,048.72</b>	<b>11.90</b>
<b>As at 31st March, 2016</b>				
Secured	63,600.56	51,826.52	11,774.04	11.34
Unsecured	21,700.00	-	21,700.00	14.15
<b>Total</b>	<b>85,300.56</b>	<b>51,826.52</b>	<b>33,474.04</b>	<b>12.16</b>
<b>As at 1st April, 2015</b>				
Secured	38,473.58	26,773.82	11,699.76	11.74
Unsecured	15,000.00	-	15,000.00	13.54
<b>Total</b>	<b>53,473.58</b>	<b>26,773.82</b>	<b>26,699.76</b>	<b>12.09</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	31st March, 2017	31st March, 2016
Interest rates – increase by 50 basis points	243.90	259.13
Interest rates – decrease by 50 basis points	(243.90)	(259.13)

(₹ in lakhs)

Impact on profit after tax

31st March, 2017

31st March, 2016

Interest rates – increase by 50 basis points

243.90

259.13

Interest rates – decrease by 50 basis points

(243.90)

(259.13)

## 52.5 Capital Management

### Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital, share suspense account and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Net debt	58,068.98	84,018.40	52,498.14
Total equity	111,987.33	108,024.18	104,643.02
<b>Net debt to equity ratio</b>	<b>52%</b>	<b>78%</b>	<b>50%</b>

Refer note 21.4 (b) for General Reserve arising on amalgamation which is included for arriving at total equity.

## 53// FIRST TIME ADOPTION OF IND AS - RECONCILIATIONS

53.1 In terms of Ind AS 101, "First time adoption of Indian Accounting Standards" the required reconciliation of equity, other comprehensive income and cash flows with respect to the figures reported under previous GAAP are as given below:

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (a) Reconciliation of equity as at 31st March, 2016 and 1st April, 2015

(₹ in lakhs)

Particulars	Notes to first-time adoption	As at 31st March, 2016 (End of last period presented under Previous GAAP)			As at 1st April, 2015 (Date of Transition)		
		previous GAAP *	Effect of transition to Ind AS	Ind AS	previous GAAP *	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	4	36,626.22	(83.95)	36,542.27	38,243.98	(87.39)	38,156.59
Capital work in progress		919.26	-	919.26	2,424.79	-	2,424.79
Other intangible assets		185.98	-	185.98	248.21	-	248.21
<b>Financial assets</b>							
i. Investments	1	60,168.79	286.05	60,454.84	31,621.08	156.19	31,777.27
ii. Loans	2	2,083.94	(3.44)	2,080.50	373.32	(3.43)	369.89
iii. Other financial assets	1	82,398.58	14.82	82,413.40	81,886.16	16.65	81,902.81
Other non-current assets	2	3,105.94	1.95	3,107.89	6,671.15	31.03	6,702.18
<b>Total non-current assets</b>		<b>185,488.71</b>	<b>215.43</b>	<b>185,704.14</b>	<b>161,468.69</b>	<b>113.05</b>	<b>161,581.74</b>
<b>Current assets</b>							
Inventories		1,332.80	-	1,332.80	1,457.40	-	1,457.40
<b>Financial assets</b>							
i. Investments		40.93	-	40.93	38.20	-	38.20
ii. Trade receivables		9,248.99	-	9,248.99	7,910.86	-	7,910.86
iii. Cash and cash equivalents		1,302.64	-	1,302.64	996.15	-	996.15
iv. Other Bank Balances		449.65	-	449.65	813.19	-	813.19
iv. Loans	2	2.82	(0.06)	2.76	-	-	-
v. Other financial assets	2	6,892.82	(6.81)	6,886.01	933.87	(31.95)	901.92
Other current assets	2 & 3	1,264.11	(196.16)	1,067.95	1,510.92	(243.27)	1,267.65
<b>Total current assets</b>		<b>20,534.76</b>	<b>(203.03)</b>	<b>20,331.73</b>	<b>13,660.59</b>	<b>(275.22)</b>	<b>13,385.37</b>
<b>Regulatory Deferral Debit Balance</b>		<b>18,061.13</b>	<b>-</b>	<b>18,061.13</b>	<b>11,026.81</b>	<b>-</b>	<b>11,026.81</b>
<b>Total assets</b>		<b>224,084.60</b>	<b>12.40</b>	<b>224,097.00</b>	<b>186,156.09</b>	<b>(162.17)</b>	<b>185,993.92</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (a) Reconciliation of equity as at 31st March, 2016 and 1st April, 2015 (Contd.)

(₹ in lakhs)

Particulars	Notes to first-time adoption	As at 31st March, 2016 (End of last period presented under Previous GAAP)			As at 1st April, 2015 (Date of Transition)		
		previous GAAP *	Effect of transition to Ind AS	Ind AS	previous GAAP *	Effect of transition to Ind AS	Ind AS
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		15,779.33	-	15,779.33	15,779.33	-	15,779.33
Other equity	7, 8, 9 & 10	90,528.47	1,716.38	92,244.85	87,288.21	1,575.48	88,863.69
<b>Total equity</b>		<b>106,307.80</b>	<b>1,716.38</b>	<b>108,024.18</b>	<b>103,067.54</b>	<b>1,575.48</b>	<b>104,643.02</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
i. Borrowings	3	62,575.96	(216.22)	62,359.74	39,176.33	(347.99)	38,828.34
ii. Trade payable	2	4,535.24	(1,663.15)	2,872.09	4,621.91	(1,972.94)	2,648.97
iii. Other financial liabilities	2, 5 & 6	6,797.05	(1,632.17)	5,164.88	7,348.68	(2,444.58)	4,904.10
Provisions		274.96	-	274.96	295.39	-	295.39
Deferred tax liabilities	6	3,651.26	304.24	3,955.50	3,232.57	298.60	3,531.17
Other non current liability	2	2,178.18	1,878.69	4,056.87	859.12	2,560.98	3,420.10
<b>Total non-current liabilities</b>		<b>80,012.65</b>	<b>(1,328.61)</b>	<b>78,684.04</b>	<b>55,534.00</b>	<b>(1,905.93)</b>	<b>53,628.07</b>
<b>Current liabilities</b>							
<b>Financial liabilities</b>							
i. Borrowings		17,429.13	-	17,429.13	11,783.06	-	11,783.06
ii. Trade payables		7,214.72	-	7,214.72	6,689.83	-	6,689.83
iii. Other financial liabilities	2, 3 & 6	8,147.29	(108.06)	8,039.23	4,248.86	408.18	4,657.04
Other current liabilities	2	2,042.64	682.28	2,724.92	2,059.77	709.69	2,769.46
Provisions	7	2,241.02	(949.59)	1,291.43	2,118.52	(949.59)	1,168.93
Current tax liabilities (net)		689.35	-	689.35	654.51	-	654.51
<b>Total current liabilities</b>		<b>37,764.15</b>	<b>(375.37)</b>	<b>37,388.78</b>	<b>27,554.55</b>	<b>168.28</b>	<b>27,722.83</b>
<b>Total liabilities</b>		<b>117,776.80</b>	<b>(1,703.98)</b>	<b>116,072.82</b>	<b>83,088.55</b>	<b>(1,737.65)</b>	<b>81,350.90</b>
<b>Total equity and liabilities</b>		<b>224,084.60</b>	<b>12.40</b>	<b>224,097.00</b>	<b>186,156.09</b>	<b>(162.17)</b>	<b>185,993.92</b>

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

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (b) Reconciliation of total comprehensive income for the period ended 31st March, 2016

Particulars	Notes to first-time adoption	(₹ in lakhs)		
		previous GAAP *	Effect of transition to Ind AS	Ind AS
<b>Revenue</b>				
Revenue from operations		56,238.45	-	56,238.45
Other income	1 & 2	1,059.94	737.16	1,797.10
<b>Total income</b>		<b>57,298.39</b>	<b>737.16</b>	<b>58,035.55</b>
<b>Expenses</b>				
Cost of materials consumed - Coal Consumption		1,652.90	-	1,652.90
Energy Purchase		36,923.48	-	36,923.48
Lease Rent		5,480.18	-	5,480.18
Employee benefits expense	2 & 9	3,884.10	(45.44)	3,838.66
Finance costs	2 & 3	3,417.60	689.76	4,107.36
Depreciation and amortisation expense		1,800.15	(3.43)	1,796.72
Other expenses	2 & 5	2,104.98	29.04	2,134.02
<b>Total expenses</b>		<b>55,263.39</b>	<b>669.93</b>	<b>55,933.32</b>
<b>Profit before exceptional items, rate regulated activities and tax</b>		<b>2,035.00</b>	<b>67.23</b>	<b>2,102.23</b>
Regulatory income/(expense) (net)		2,319.11	-	2,319.11
<b>Profit before tax</b>		<b>4,354.11</b>	<b>67.23</b>	<b>4,421.34</b>
Income tax expense				
- Current tax		745.89	-	745.89
- Deferred tax	7	418.69	21.67	440.36
<b>Total tax expense</b>		<b>1,164.58</b>	<b>21.67</b>	<b>1,186.25</b>
<b>Profit for the year</b>		<b>3,189.53</b>	<b>45.56</b>	<b>3,235.09</b>
Other comprehensive income	9 & 10	-	95.33	95.33
<b>Total comprehensive income</b>		<b>3,189.53</b>	<b>140.89</b>	<b>3,330.42</b>

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

## (c) Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015

Particulars	Notes to first-time adoption	(₹ in lakhs)	
		31st March, 2016	1st April, 2015
Total equity (shareholder's funds) as per previous GAAP		106,307.80	103,067.54
<b>Adjustments:</b>			
Financial Instruments taken at amortised cost	2	799.98	785.13
Fair Value of Mutual funds through Profit and Loss	1	48.06	45.64
Fair Value of equity instrument through other comprehensive income	1 & 10	252.83	127.20
Proposed dividend reversed (including Corporate dividend tax)	7	949.58	949.58
Lease hold land being classified as finance lease	5	(20.48)	(20.71)
Effect of decapitalisation of Borrowing Cost and depreciation	4	(9.35)	(12.76)
Effects of taxes on above	6	(304.24)	(298.60)
<b>Total adjustments</b>		<b>1,716.38</b>	<b>1,575.48</b>
<b>Total equity as per Ind AS</b>		<b>108,024.18</b>	<b>104,643.02</b>

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (d) Reconciliation of total comprehensive income for the year ended 31st March, 2016

Particulars	Notes to first-time adoption	(₹ in lakhs)
		31st March, 2016
Profit after tax as per previous GAAP		3,189.53
<b>Adjustments:</b>		
Financial Instruments taken at amortised cost	2	14.89
Fair Valuation of Mutual fund through Profit and loss account	1	2.42
Lease hold land being classified as finance lease	5	0.22
Remeasurement of defined benefit obligation	9	30.30
Effect of depreciation on decapitalisation of Borrowing cost	4	3.37
Effects of taxes on above	6	(5.64)
Total adjustments		45.56
Profit after tax as per Ind AS		3,235.09
Other comprehensive income	9 & 10	95.33
<b>Total comprehensive income as per Ind AS</b>		<b>3,330.42</b>

## (e) Effect of Ind AS adoption on the statement of cash flows for the year ended 31st March, 2016

Particulars	previous GAAP *	Effect of transition to Ind AS/Reclassification	(₹ in lakhs)
			Ind AS
Net cash flows from operating activities	2,548.51	(25.74)	2,522.77
Net cash flows from investing activities	(29,982.48)	5,519.46	(24,463.02)
Net cash flows from financing activities	27,759.39	(5,512.65)	22,246.74
Net increase (decrease) in cash and cash equivalents	325.42	(18.93)	306.49
Cash and cash equivalents at the beginning of the period	1,035.32	(39.17)	996.15
Cash and cash equivalents at the end of the period	1,360.74	(58.10)	1,302.64

### 53.2 First time adoption- Mandatory exceptions and optional exemptions

#### Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

#### Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

## Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38.

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

Ind AS 27 permits an entity to measure the investments in subsidiaries, joint ventures and associates at either cost or in accordance with Ind AS 109.

Accordingly, the company has elected to carry its investments in subsidiaries at deemed cost being carrying amount under previous GAAP on the transition date.

## Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 for determining whether an arrangement contains a lease at the transition date on the basis of facts and circumstances existing at that date.

### 53.3 Explanatory notes to Balance Sheet reconciliations

#### Note 1: Fair valuation of investments

Under previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.

#### Note 2: Financial assets and Financial liabilities

Under the previous GAAP, interest free lease security deposits, loans & advances that are refundable in cash and amounts recoverable from customers in cash are recorded at their transaction value. Under Ind AS, all such financial assets are required to be recognised initially at fair value and subsequently at amortised cost. Accordingly, the company has fair valued these financial assets under Ind AS. Difference between the fair value and transaction value has been recognised according to the nature of these financial assets.

Under the previous GAAP, non current trade payables and other long term liabilities payable to suppliers or refundable to consumers are recorded at their transaction value. Under Ind AS, all such financial liabilities are required to be recognised initially at fair value and subsequently at amortised cost. Accordingly, the company has fair valued these financial liabilities under Ind AS. Difference between the fair value and transaction value has been recognised according to the nature of these financial liabilities.

#### Note 3: Borrowings

Under previous GAAP, entire amount of transaction costs in respect of certain borrowings were capitalised or charged off to statement of profit and loss. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

#### Note 4: Property, Plant and Equipment

Under the previous GAAP, transaction costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Under Ind AS, the unamortised amount of upfront fee as at the date of the transition should be adjusted from the carrying amount of loan to arrive at its amortised cost. In the current case, the Company has already capitalised the processing cost as a part of the cost of the fixed assets. As a consequence, to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101, the carrying amount of fixed assets

# NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2017

as at the date of the transition have been reduced by the amount of processing cost (net of cumulative depreciation impact). The difference between the adjustments to the carrying amount of loan and to fixed assets, respectively has been recognised in the retained earnings as at the date of the transition.

## Note 5: Long Term Land Leases

Under previous GAAP, land leases were classified under the Fixed Assets as Leasehold Land. Ind AS 17 deals specifically with land leases. Land leases are classified as finance or operating leases based on the general criteria laid down in the standard. On the basis of lease classification, land leases where the significant risk and rewards have been transferred to the Company has been classified as finance lease.

## Note 6: Deferred tax

The application of Ind AS 12 approach has resulted in recognition of deferred tax on temporary differences which was not required under previous GAAP including those resulting due to transitional adjustments. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Ind AS 12 requires classification of MAT credit as Deferred tax asset. Accordingly, the Company has reclassified MAT credit to Deferred tax asset as at the transition date. This has no resulting impact on equity or net profit.

## Note 7: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the Statement of Financial Position date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was

recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

## Note 8: Retained Earnings

Retained earnings has been adjusted consequent to the above Ind AS transition adjustments.

## Note 9: Remeasurements of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised to retained earnings through OCI. This has no resulting impact on equity.

## Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

54// These financial statements have been approved and adopted by Board of Directors of the Company in their meeting dated May 29, 2017 for issue to the shareholders for their adoption.

For **Lodha & Co**  
Chartered Accountants

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

For and on behalf of the Board

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Members of  
India Power Corporation Limited (Formerly DPSC Limited)

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of India Power Corporation Limited (Formerly DPSC Limited) ("hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as 'the Group') and joint Ventures, which comprise of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income) and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "the Consolidated Ind AS financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the 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 consolidated Ind AS financial statements.

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## BASIS FOR QUALIFIED OPINION

Attention is drawn to Note No 8.8 of the consolidated financial statements dealing with the absence of the financial statements of the subsidiary company i.e. Meenakshi Energy Limited for the year ended 31st March, 2017 as a result the financial statement for the same has not been considered in these Consolidated Financial statement as required in terms of the requirement of Indian Accounting Standard 110 on "Consolidated Financial Statements". Consequently, the impact of the same on consolidated results and the value of investments in the said subsidiary are not presently ascertainable.

## QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the impact of the matter as described in the basis of qualified opinion paragraph, and based on the consideration of the reports of others auditors, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group and its Joint Ventures as at 31st March, 2017, and their consolidated financial performance (including Other Comprehensive Income), it's consolidated Cash Flows and consolidated statement of changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

Attention is invited to Note No 10.2 of the consolidated Ind AS financial statements regarding the beneficial interest in Power Trust amounting to ₹ 81,878.04 lakhs, based on a professional expert opinion has been considered as financial asset. In absence of required details, the trust being an independent entity, value of said asset (beneficial interest) as considered has been taken based on report of an independent firm of chartered accountant appointed by the Power Trust, and the same has been relied for the purpose of these accounts and our opinion thereupon.

Our Opinion is not modified in respect of the said matter.

## OTHER MATTERS

- a) We did not audit the financial results of the four subsidiary companies included in the consolidated financial statements for the year ended 31st March, 2017, whose financial statements reflect total assets of ₹ 30,263.69 lakhs and total net assets of ₹ 1,077.36 lakhs as at 31st March, 2017, total revenues of ₹ 28,149.29 lakhs and Net cash flow inflow/(outflow) amounting to ₹ 183.60 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 74.54 lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of two joint ventures, one associate and two step down subsidiaries whose financial statements have not been audited by us. These financial statements and other financial information have been audited by another auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements based solely on the reports of the other auditors.
- b) We did not audit the financial statements of one step down subsidiary incorporated in Jersey whose financial statements reflect total assets of ₹ 47.08 lakhs as at 31st March, 2017 and total revenue of ₹ 1.03 lakhs as on that date, as considered in the consolidated financial statements. The aforesaid financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of this step-down subsidiary, based solely on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

respect to our reliance on the work done and the reports of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 of the aforesaid consolidated Ind AS financial statement;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) Except for the matters described in the Basis for Qualified Opinion paragraph above, in our opinion the Consolidated Balance Sheet, Consolidated Statement of Profit and loss (Including Other Comprehensive Income), and Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies and joint ventures incorporated in India none of the directors is disqualified as on March 31, 2017 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 over financial reporting and the operating effectiveness of such controls; refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies of the Holding company incorporated in India.
- 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. As represented by the management, pending litigations (Other than those already recognised in the accounts) having material impact on the financial position of the Group have been disclosed in the consolidated financial statement as required in terms of the accounting standards and provisions of the Act (refer Note No. 44 of the consolidated financial statements);
  - ii. There are no long-term contracts for which there were any material foreseeable losses. The Group has not entered into any derivative contract;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. In case of subsidiaries of the Holding company, there were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
  - iv. The requisite disclosures in the Consolidated Ind AS financial statements for holding as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

rupees existing on November 08, 2016) (SBN's) during the period from 8th November, 2016 to 30th December, 2016 have been provided with respect to Holding Company and subsidiaries incorporated in India. Based on audit procedures and relying on management representation, we report that the disclosures are in accordance with books of account and other records incorporated in India and as produced to us by the Management

of the Holding Company – Refer Note 14.1 to the consolidated Ind AS financial statements.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place: Kolkata  
Date: 29th May, 2017

**H.K Verma**  
Partner  
Membership No: 055104

## **'ANNEXURE A' REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED)**

(Referred to under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of India Power Corporation Limited (Formerly DPSC Limited) (hereinafter referred to as "the Holding Company") and its subsidiary companies (collectively referred to as "Group") and Joint venture companies, which are companies incorporated in India, as of that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are 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 the respective 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.

#### **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") issued by the ICAI and the Standards on Auditing issued by ICAI and to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, 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 authorisations of management and directors of the

**'ANNEXURE A' REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED)**

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of others auditors, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place: Kolkata  
Date: 29th May, 2017

**H.K Verma**  
Partner  
Membership No: 055104

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2017

Particulars	Note No.	(₹ in lakhs)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	6	34,220.85	40,460.78	41,959.43
(b) Capital work in progress		1,551.52	239,834.17	147,810.37
(c) Goodwill		-	2.67	2.67
(d) Other intangible assets	7	3,503.28	1,914.92	1,007.50
(e) Financial assets				
(i) Investments	8.1	31,645.79	688.13	558.93
(ii) Loans	9	8.80	1,362.00	221.10
(iii) Other financial assets	10	82,153.95	82,465.03	81,902.81
(f) Other non-current assets	11	5,184.00	20,826.50	26,785.47
		<b>158,268.19</b>	<b>387,554.20</b>	<b>300,248.28</b>
<b>2 Current assets</b>				
(a) Inventories	12	1,189.67	1,525.94	2,080.50
(b) Financial assets				
(i) Investments	8.2	-	40.93	38.20
(ii) Trade receivables	13	17,629.12	13,171.82	10,036.40
(iii) Cash and cash equivalents	14	1,259.76	4,653.62	5,839.50
(iv) Other bank balances	15	6,359.61	514.22	1,373.11
(v) Loans	16	7,395.33	24.75	10.97
(vi) Other financial assets	17	26,203.10	2,075.85	1,182.42
(c) Other current assets	18	9,623.68	10,572.31	1,511.73
		<b>69,660.27</b>	<b>32,579.44</b>	<b>22,072.83</b>
		<b>227,928.46</b>	<b>420,133.64</b>	<b>322,321.11</b>
<b>3 Regulatory deferral account debit balances</b>	19(a)	<b>7,874.94</b>	<b>18,061.13</b>	<b>11,026.81</b>
<b>Total Assets</b>		<b>235,803.40</b>	<b>438,194.77</b>	<b>333,347.92</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital	20	9,737.90	9,737.90	9,737.90
(b) Other equity	21	96,610.04	92,429.42	88,925.41
(c) Share capital suspense account	5.1	6,041.43	6,041.43	6,041.43
<b>Equity attributable to owners of the Company</b>		<b>112,389.37</b>	<b>108,208.75</b>	<b>104,704.74</b>
(d) Non-Controlling Interest	22	(15.40)	20,471.35	20,092.40
<b>LIABILITIES</b>				
<b>2 Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	23	54,016.58	227,138.62	144,294.62
(ii) Trade payables	24	3,156.47	2,872.09	2,648.97
(iii) Other financial liabilities	25	5,786.49	15,090.64	14,829.86
(b) Provisions	26	332.81	531.94	391.89
(c) Deferred tax liabilities (net)	27	4,901.57	4,022.95	3,943.57
(d) Other non-current liabilities	28	3,398.69	4,056.86	3,420.09
		<b>71,592.61</b>	<b>253,713.10</b>	<b>169,529.00</b>
<b>3 Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	29	12,986.97	18,869.91	12,710.53
(ii) Trade payables	30	17,593.68	9,137.92	7,673.64
(iii) Other financial liabilities	31	11,710.70	22,675.38	13,685.80
(b) Other current liabilities	32	3,202.70	3,142.10	3,113.16
(c) Provisions	33	1,315.01	1,312.85	1,185.75
(d) Current tax liabilities (net)		1,950.19	663.41	652.90
		<b>48,759.25</b>	<b>55,801.57</b>	<b>39,021.78</b>
<b>4 Regulatory deferral account credit balances</b>	19(b)	<b>3,077.57</b>	-	-
<b>Total Equity and Liabilities</b>		<b>235,803.40</b>	<b>438,194.77</b>	<b>333,347.92</b>

Significant Accounting Policies and other accompanying notes (1- 59) are an integral part of the consolidated financial statements.

As per our report on even date

For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
<b>REVENUE</b>			
Revenue from operations	34	72,204.76	72,026.86
Other income	35	2,819.90	1,753.17
<b>Total income</b>		<b>75,024.66</b>	<b>73,780.03</b>
<b>EXPENSES</b>			
Cost of material consumed - coal consumption		1,189.49	1,652.90
Energy purchase	36	46,065.75	48,544.13
Lease rent	37	4,767.43	5,480.18
Employee benefits expense	38	4,844.56	4,650.43
Finance costs	39	7,336.87	5,044.00
Depreciation and amortisation expense	40	2,028.25	1,937.31
Other expenses	41	4,912.64	4,135.15
<b>Total expenses</b>		<b>71,144.99</b>	<b>71,444.10</b>
<b>Profit before exceptional items, rate regulated activities and tax</b>		<b>3,879.67</b>	<b>2,335.93</b>
Regulatory income/(expense) (net)	19 (c)	(2,357.16)	2,319.11
<b>Profit before exceptional items, tax and share of Profit/(Loss) of Joint Venture</b>		<b>1,522.51</b>	<b>4,655.04</b>
Exceptional Items	42	4,673.56	-
<b>Profit before tax and share of Profit/(Loss) of Joint Venture</b>		<b>6,196.07</b>	<b>4,655.04</b>
Share of Profit/(Loss) of Joint Ventures		(56.42)	-
Profit before tax		6,139.65	4,655.04
<b>Tax expense:</b>	43		
Current tax		1,687.87	795.52
Income tax for earlier years		(0.09)	0.20
Deferred tax		633.96	95.42
<b>Profit After Tax</b>		<b>3,817.91</b>	<b>3,763.90</b>
Other Comprehensive Income			
i) Items that will not be reclassified to Profit or Loss			
(a) Beneficial interest in Power Trust and equity instruments through OCI		(43.27)	125.63
(b) Remeasurement gains/(losses) on defined benefit plans		(95.62)	(86.24)
ii) Income tax on items that will not be reclassified to profit or loss		33.07	29.23
<b>Total Comprehensive Income for the period</b>		<b>3,712.09</b>	<b>3,832.52</b>
<b>Profit for the year attributable to:</b>			
- Owners of the Company		3,835.17	3,388.34
- Non Controlling interest		(17.26)	375.56
<b>Other Comprehensive Income attributable to:</b>			
- Owners of the Company		(105.82)	68.62
- Non Controlling interest		-	-
<b>Total Comprehensive Income attributable to:</b>			
- Owners of the Company		3,729.35	3,456.96
- Non Controlling interest		(17.26)	375.56
Earnings per equity share:	48		
Basic and Diluted including Regulatory income/(expense) (₹)		0.24	0.22
Basic and Diluted excluding Regulatory income/(expense) (₹)		0.39	0.07

Significant Accounting Policies and other accompanying notes (1- 59) are an integral part of the consolidated financial statements.

As per our report on even date

For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2017

## A Equity share capital and Share capital suspense account

Particulars	Share capital	Share capital suspense account
Balance as on April 1, 2015	9,737.90	6,041.43
Changes in equity share capital during the year 2015-16	-	-
Balance as on March 31, 2016	9,737.90	6,041.43
Changes in equity share capital during the year 2016-17	-	-
Balance as on March 31, 2017	9,737.90	6,041.43

## B Other equity

Particulars	Reserve and Surplus							Items of Other Comprehensive Income			Total
	Contribution from Consumers Towards Service Lines	Capital Reserve	Debt Redemption Reserve	General Reserve	Reserve for unforeseen Exigencies fund	Reserve for unforeseen Exigencies Interest fund	Foreign Currency Translation Reserve	Retained Earnings	Re-measurement of the net defined benefit plans	Re-Beneficial interest in Power Trust and equity instrument Through Other Comprehensive Income	
Balance as on April 1, 2015	1,526.13	82.47	1,650.00	77,403.62	323.37	130.88	(0.19)	8,236.40	(427.27)	-	88,925.41
Profit for the year	-	-	-	-	-	-	-	3,388.34	-	-	3,388.34
Contribution received during the year	236.43	-	-	-	-	-	(3.69)	-	-	-	232.74
Dividend payments including dividend distribution tax	-	-	-	-	-	-	-	(185.69)	-	-	(185.69)
Transfer from retained earnings	-	-	350.00	-	95.02	44.02	-	(489.04)	-	-	-
Fair valuation of equity Instruments	-	-	-	-	-	-	-	-	-	125.63	125.63
Re-measurements of the net defined benefit plans (net)	-	-	-	-	-	-	-	-	(57.01)	-	(57.01)
Balance as on March 31, 2016	1,762.56	82.47	2,000.00	77,403.62	418.39	174.90	(3.88)	10,950.01	(484.28)	125.63	92,429.42
Profit for the year	-	-	-	-	-	-	-	3,835.17	-	-	3,835.17
Contribution received during the year	341.20	-	-	-	-	-	-	-	-	-	341.20
Dividend payments including dividend distribution tax	-	-	-	-	-	-	-	(185.69)	-	-	(185.69)
Transfer from retained earnings	-	-	350.00	-	98.56	49.18	-	(497.74)	-	-	-
Foreign Currency translation reserve	-	-	-	-	-	-	30.13	-	-	-	30.13
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-	-	265.63
Fair valuation of equity Instruments	-	-	-	-	-	-	-	-	-	(43.27)	(43.27)
Re-measurements of the net defined benefit Plans (net)	-	-	-	-	-	-	-	-	(62.55)	-	(62.55)
Balance as on March 31, 2017	2,103.76	82.47	2,350.00	77,403.62	516.95	224.08	26.25	14,101.75	(546.83)	82.36	96,610.04

Refer note 21 for nature and purpose of reserves.

Significant Accounting Policies and other accompanying notes (1- 59) are an integral part of the consolidated financial statements.

As per our report on even date

For **Lodha & Co**  
Chartered Accountants

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

For and on behalf of the Board

**A.K. Goswami**  
Director  
(DIN:03331661)

**Prashant Kapoor**  
Company Secretary

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2017

Particulars	(₹ in lakhs)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before taxation	6,196.07	4,655.04
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,028.21	1,937.31
Provision for employee benefit	17.20	90.59
Allowance for bad and doubtful debts (net)	17.99	-
Interest expense	7,288.47	4,107.07
Depreciation reversal (refer note 35)	(477.92)	-
Loss/(profit) on Discard/Sale of Fixed Assets (Net)	-	5.07
Interest income on unwinding of financial instruments	(690.37)	(734.74)
Gain on Mutual fund valuation	(24.34)	(2.42)
Prepaid expense amortisation	29.09	31.74
Lease rent expense	(2.73)	(2.73)
Loss on sale of investment	(22.39)	-
Adjustment for employee loan and security deposit	0.44	0.86
Income from investments	(899.33)	(50.35)
Interest on deposits and others	(614.91)	172.79
Profit on Sale of Long term Investment	(0.07)	(1.80)
Liability no longer required written back	-	(7.97)
Exceptional items	(4,673.56)	-
Foreign exchange (gain)/loss	59.45	(21.09)
	<u>2,035.24</u>	<u>5,524.33</u>
<b>Operating Profit before Working Capital Changes</b>	<b>8,231.31</b>	<b>10,179.37</b>
<b>Adjustments for:</b>		
Decrease / (Increase) - Inventories	(62.27)	214.09
Decrease / (Increase) - Regulatory deferral account balances	3,695.59	(2,417.09)
Decrease / (Increase) - Unbilled revenue	-	-
Decrease / (Increase) - Trade and other receivables	(4,826.29)	(12,657.48)
Decrease / (Increase) - Loans	870.30	(1,137.35)
Decrease / (Increase) - Other financial assets	(2,683.41)	(107.73)
Decrease / (Increase) - Other assets	(1,506.38)	2,815.11
Increase / (Decrease) - Cesseation of subsidiary	(3,038.14)	-
Increase / (Decrease) - Trade payables	8,411.80	1,510.83
Increase / (Decrease) - Other financial liabilities	3,752.22	5,826.11
Increase / (Decrease) - Financial liabilities	(133.88)	1,472.07
	<u>4,479.53</u>	<u>(4,481.44)</u>
<b>Cash Generated from Operations</b>	<b>12,710.84</b>	<b>5,697.93</b>
Direct Taxes paid	(179.21)	(774.21)
<b>Net Cash from Operating Activities</b>	<b>12,531.63</b>	<b>4,923.72</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2017

Particulars	(₹ in lakhs)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(1,502.29)	(70,246.31)
Acquisition of intangible assets	(964.49)	(1,130.92)
Proceeds from disposal of property, plant and equipment	0.62	1,212.08
Proceeds from Sale of non current investments	30,669.11	40.00
Purchase of non current investments	(20,989.42)	(37.56)
Other receivables	(620.32)	-
Interest received on fixed deposits and loans	1,376.06	245.86
Receipt for completion of acquisition of a subsidiary	26,694.50	-
Earmarked deposit with bank	(5,670.30)	(148.88)
<b>Net Cash used in Investing Activities</b>	<b>28,993.47</b>	<b>(70,065.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan to Subsidiary Company (net)	(6,369.00)	-
Payment of finance lease obligation	-	3.37
Proceeds from long term borrowing	31,909.70	88,628.32
Repayment from long term borrowing	(51,760.82)	(2,686.28)
Movement in cash credit facilities from bank	617.06	5,459.38
Proceeds from short term borrowing from banks and others	200.00	6,700.00
Repayment of short term loan from other parties	(6,700.00)	(6,000.00)
Dividend paid (including tax on dividend)	(165.77)	(166.74)
Interest paid	(12,650.13)	(27,981.92)
<b>Net Cash from Financing Activities</b>	<b>(44,918.97)</b>	<b>63,956.13</b>
Net increase/ (decrease) in Cash and Cash Equivalents	(3,393.86)	(1,185.88)
Cash and Cash Equivalents at the beginning of the year	4,653.62	5,839.50
Cash and Cash Equivalents at the closing of the year (Refer note 14)	<b>1,259.76</b>	<b>4,653.62</b>

Significant Accounting Policies and other accompanying notes (1- 59) are an integral part of the consolidated financial statements.

As per our report on even date

For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

**Sushil Kr. Agarwal**  
Chief Financial Officer

**Prashant Kapoor**  
Company Secretary

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 1// CORPORATE INFORMATION

India Power Corporation Limited is domiciled and incorporated in India and its shares are quoted on National Stock Exchange of India Limited ['NSE'], The Calcutta Stock Exchange Limited ['CSE'] and Metropolitan Stock Exchange of India Limited ['MSEI']. The Registered Office of the Company is at Plot X1 2&3, Block - EP, Sector - V, Saltlake City, Kolkata - 700091.

The Consolidated Financial Statements relate to India Power Corporation Limited (the Company), and subsidiaries (collectively known as Group) and associates and joint venture entities as detailed below:

Name of Company	Country of Incorporation	Nature of relationship	Proportion of ownership interest held by the Company
India Power Corporation (Bodhgaya) Limited	India	Subsidiary	100%
IPCL Power Trading Private Limited	India	Subsidiary	99.81%
IPCL Pte Limited	Singapore	Subsidiary	100%
Edison Power Limited	Jersey	Subsidiary of IPCL Pte Ltd.	51%
Matsya Shipping and Ports Private Limited	India	Subsidiary from 19.02.2016 till 26.03.2017. Joint venture from 27.03.2017 onwards	50%
India Power Green Utility Private Limited (IPGUPL)	India	Subsidiary	100%
PL Solar Renewable Limited	India	Subsidiary of IPGUPL from 23.02.2017	49%
PL Sunrays Power Limited	India	Subsidiary of IPGUPL from 23.02.2017	49%
India Uniper Power Services Pvt. Ltd.	India	Subsidiary from 02.08.2016 till 05.01.2017. Joint venture from 06.01.2017 onwards	50%
India Power Corporation (Haldia) Limited	India	Subsidiary till 30.03.2017 associate from 31.03.2017 onwards	30.61%

The above does not include Meenakshi Energy Limited (MEL), a subsidiary (95.07%) due to reasons stated in note no. 8.8. Further IPC(H)L, an associate as on 31.03.2017, where the company does not have equity holdings have also not been considered for consolidation as stated in note no. 8.7.

The Group is mainly engaged in thermal power generation in the state of West Bengal and Andhra Pradesh, wind power generation in the state of Gujarat, Karnataka and Rajasthan and solar power generation in the state of Uttarakhand. It is licensed to distribute power in and around Asansol region including the area covered under Asansol Municipal Corporation in the State of West Bengal and is operating as distribution franchisee in the area of Gaya, Bodhgaya and Manpur in the state of Bihar. It is also engaged in trading of power.

## 2// STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

### 2.1 Statement of Compliance

The Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 and therefore Ind AS issued, notified and made effective till the financial statements are authorised and the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003 (Tariff Regulations) have been considered for the purpose of preparation of these financial statements.

These are the Group's first Ind AS Consolidated Financial

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Statements and the date of transition to Ind AS as required has been considered to be April 1, 2015.

The consolidated financial statement upto the year ended March 31, 2016, were prepared as per the previous GAAP under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable to the Company and the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003 (Tariff Regulations). Previous GAAP figures in the financial statements have now been restated in compliance to Ind AS and regulatory requirements of WBERC.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", the Group has presented within Note 56.1(a) reconciliation of Shareholders' equity as given earlier under previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2016, and April 1, 2015 and also the Net Profit as per previous GAAP and that arrived including Other Comprehensive Income (OCI) under Ind AS for the year ended March 31, 2016. The mandatory exceptions and optional exemptions availed by the Group on First-time adoption have been detailed in Note 56.2 of the consolidated financial statement.

## 2.2 Recent Pronouncements

In March 2017, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to the Ind AS 7 'Statement of Cash flows' and Ind AS 102, 'Share - based payment' which are applicable w.e.f. 1st April, 2017.

The amendment to Ind AS 7 "Statement of Cash Flows" requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The effect of this amendment on the financial statements of the Group is being evaluated.

The amendment to Ind AS 102 "Share - based payment" provides specific guidance to measurement of cash-settled share based payment transaction and share based payment transaction with a net settlement feature for withholding tax obligations. As the Group has not issued any stock options plans this amendment does not have any impact on the financial statements of the Company.

## 3// SIGNIFICANT GROUP ACCOUNTING POLICIES

### 3.1 Basis of Preparation

The consolidated financial statements have been prepared on historical cost convention on accrual basis, except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortised cost at the end of each reporting period.

Historical cost convention is generally based on fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The consolidated financial statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

### 3.2 Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries, associates and Joint Venture entities (collectively referred as "the Group"). The Group has investments in joint ventures and associates which are accounted using equity method in these consolidated financial statements.

Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- i) Power over the investee
- ii) Exposure, or rights to variable returns from its involvement with the investee
- iii) The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements except otherwise stated. Necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

In preparing the consolidated financial statements, financial statements of the Holding Company and its subsidiaries have been combined on a line by line basis by adding the book values of the like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits or losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities.

The excess/deficit of cost to the Parent Company of its investment over its portion of networth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. Goodwill arising on consolidation is tested for

impairment when the relevant indicators of impairment are applicable. The Parent Company's portion of networth in such entities is determined on the basis of book value of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests are adjusted and the fair value of the considerations paid or received is recognised directly in equity and attributed to the owners of the Company.

### 3.3 Business Combinations and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The said exemption has also been availed by associates and joint ventures.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 3.4 Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

## 3.5 Investment in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

## 3.6 Foreign Subsidiaries

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) assets and liabilities are translated at the closing rate at the date of that balance sheet
- ii) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- iii) All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

## 3.7 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- (c) Level 3 : inputs for the asset or liability which are not based on observable market data.

## 3.8 Property, Plant and Equipment (PPE)

- (i) Freehold land is carried at historical cost. All other items of PPE are stated at their cost

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

of acquisition or construction and is net of accumulated depreciation. Carrying value of PPE on the date of transition has been considered to be deemed cost. 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. 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. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

- (ii) All project related expenses viz civil works, machinery under erection, construction and erection materials, pre-operative expenditure net of revenue incidental/attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations are shown under Capital Work In Progress (CWIP).
- (iii) Depreciation on property, plant and equipment commences when the assets are ready for their intended use.
- (iv) Depreciation on PPE is provided on the straight-line method at the rates specified in the Tariff Regulation and computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. The useful life of assets considered for depreciation as above are as follows:
- | Category                    | Useful life (years) |
|-----------------------------|---------------------|
| Building                    | 15 to 50            |
| Plant & Equipment           | 5 to 25             |
| Mains meters & transformers | 7 to 35             |
| Vehicles                    | 5 to 10             |
| Furniture & fixtures        | 7 to 15             |
| Office equipments           | 3 to 15             |
- (v) The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (vi) Cost of leasehold lands are amortised under the straight line method over the related lease period.

- (vii) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.

## 3.9 Intangible Assets

### Recognition and initial measurement

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages (ERP and others) for India Power Corporation Limited has been allocated/amortized over a period of 5 years on straight line basis.

Amortisation of Computer Software of India Power Corporation (Haldia) Limited (subsidiary of the Company till 30.03.2017, associate from 31.03.2017) has been allocated/amortized over a period of 3 years on straight line basis.

Right to charge users in case of India Power Corporation (Bodhgaya) Limited, a subsidiary of the Company has been allocated/amortized over a period of 15 years on straight line basis.

Right acquired in case of PL Solar Renewable Limited and PL Sunrays Power Limited, a subsidiary of the Company has been allocated/amortized over a period of 25 years on straight line basis.

## 3.10 Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 3.11 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the statement of profit and loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

## 3.12 Leases

Leases are classified as finance leases whenever in terms of the lease all the risks and rewards incidental to the ownership of an asset are substantially transferred to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Any initial direct cost of the lessee is added to the amount recognized as an asset. Each lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease arrangement are structured to increase in the payments in line with expected

general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

## 3.13 Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non current.

The consolidated financial instruments are classified to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

### (i) Cash and Cash Equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

## (iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, the principal is considered to be fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

## (v) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

### 3.14 Financial Guarantee Contracts

Financial guarantee contracts other than those which are in the nature of insurance are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

### 3.15 Impairment of Financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset. The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

### 3.16 De-recognition of financial instruments

The Group derecognizes a financial asset or a group

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

### 3.17 Inventories

Inventories are valued at lower of cost or net realisable value.

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

### 3.18 Foreign Currency Transactions

These consolidated financial statements are presented in Indian Rupee, which is the Company's functional currency and the Group's presentation currency.

Transactions in currencies other than the respective entities functional currency are recognised at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates. Non-monetary items which are carried

in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

### 3.19 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent Assets are disclosed in the consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

### 3.20 Post-employment, long term and short term employee benefits

#### Defined contribution plans Provident Fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

The Group 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

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.

### Superannuation (Funded)

The Group's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LIC. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

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.

### Lump sum payment (Unfunded)

The Group has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee

or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

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.

### 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 the 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.

### Voluntary Retirement Scheme

Expenditure on voluntary retirement scheme (VRS) is being charged to Statement of Profit and Loss Account as incurred.

## 3.21 Revenue Recognition

### Sale of Energy

Sale of energy on account of electricity supplied from regulated business is accounted for on the basis of billing to consumers at rates approved by WBERC and is net of rebate.

Sale of energy other than above is billed and accounted for at rates agreed with respective consumers.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Regulatory income and expense for the year recognised as per Regulations issued by WBERC are shown separately in the Consolidated Statement of Profit and Loss.

### Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted/settled.

### In respect of subsidiary (India Power Corporation (Bodhgaya) Limited)

- Sale of energy on account of electricity supplied is billed to consumers at the rates approved by Bihar Electricity Regulatory Commission (BERC) and DF Agreement with SBPDCL and is net of rebate etc. allowed to the customers. This includes unbilled revenue accrued at the end of the accounting year as estimated by management, based on the billing and collection trend of immediately preceding month.
- Revenue from operations does not include pass through transactions, collections on account payable as per DFA.

### Construction Revenue

Contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. An expected loss on the construction contract shall be recognised as an expense immediately in profit and loss account.

### 3.22 Borrowing Costs

Borrowing costs comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the statement of profit and loss using the effective interest method except to the extent attributable to qualifying Property, Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

### 3.23 Income Tax

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Taxable income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense taxable on the basis different than that considered for recognition in the accounts and also due to the items that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

## 3.24 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.

## 3.25 In respect of the Company

### Regulatory Assets and Liabilities

Regulatory assets and liabilities shown as Regulatory Deferral Account Balance are recognised based on process defined in Tariff Regulations issued by WBERC. Any adjustment there of are recognised in the year in which order of WBERC are received. It includes amount recoverable from/ refundable to consumers on account of Fuel and Power Purchase Cost Adjustment (FPPCA), and other adjustments based on tariff regulations and orders. Consequential adjustments are given effect to upon confirmation by the relevant authorities.

## 4// CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ

from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/materialized and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation of uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also been discussed below:

### a) Regulatory Deferral Account Balances

Regulatory Deferral consists of Fuel and Power Purchase Cost Adjustment (FPPCA) and other accruals as per the tariff Regulation as recognised in the accounts have been considered on the basis of available tariff order and as per the norms and formula prescribed in the regulations; these may vary requiring adjustments on determination by the regulator.

### b) Fair Valuation of Financial Assets - Beneficial interest in Power Trust

Beneficial interest in Power Trust have been evaluated and considered considering the valuation of underlying securities of the projected inflows of the Investee entities as estimated by the respective management and evaluated by an independent valuer. Variation arising with respect to actual numbers in future may require adjustment effecting other comprehensive income.

### c) Income Taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Accordingly, such provision has been made considering concession/allowances including those based on expert advice/judicial pronouncements.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations as it is not possible to predict the outcome of pending matters with accuracy.

## e) Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable vary, it may affect the amount of actual write-offs as estimated.

## f) Determining whether an arrangement contain leases and classification of leases

The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

## g) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

## 5// AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ('the scheme') sanctioned by the Hon'ble Calcutta High Court vide its order dated 17th April, 2013, erstwhile India Power Corporation Limited (IPCL), has been amalgamated with the Company with effect from

1st October 2011 (the appointed date). The scheme was therefore given effect to in the financial Statements for the year ended 31st March 2013.

## 5.1 Consequent to the amalgamation as above:

The shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,120,275,823 equity shares of ₹ 1 each of the Company aggregating to ₹ 11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating/Transferor Company, its shareholding of 516,132,374 equity shares of ₹ 1 each aggregating to ₹ 5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court leaving 389,515,829 equity shares being held by Power Trust (including 149,087,194 equity shares of ₹ 1 each in terms of the said scheme which has now been transferred to said Trust on March 30, 2017 and 63,199,293 shares have been transferred on said date pursuant to the order of Hon'ble Calcutta High Court dated January 27, 2017). The above referred allotment and cancellation has been kept in abeyance in line with the order of SEBI pending adherence to requirement of minimum public shareholding by selling/transfer of shares of the Company held by Power Trust as required in terms of the order dated January 27, 2017 of Hon'ble Calcutta High Court. Pending this, a net amount of ₹ 6,041.43 lakhs, being the differential amount with respect to the equity shares to be issued and to be cancelled has continued to be shown as share capital suspense account.

5.2 In terms of the scheme, the Reserves arising pursuant to amalgamation constitutes free reserves available to the Amalgamated Company for such purpose including but not limited to declaration of dividend, issuance of Bonus shares etc. as the Board of Directors of the Amalgamated Company may consider appropriate. Accordingly as per the Board resolution, the reserve of ₹ 20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

5.3 Pursuant to the Scheme, the name of the Company has been changed to India Power Corporation Limited with effect from August 27, 2013.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 6// PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars									(₹ in lakhs)
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Mains, Meters and Transformers	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>As at April 1, 2015</b>	723.14	4,846.52	6,874.83	8,310.26	20,410.51	184.19	133.68	476.30	41,959.43
Addition	17.86	-	43.73	177.09	1,295.31	26.75	15.43	43.93	1,620.10
Disposal	-	1,321.78	-	-	13.83	11.51	3.75	4.43	1,355.30
Adjustments	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2016</b>	<b>741.00</b>	<b>3,524.74</b>	<b>6,918.56</b>	<b>8,487.35</b>	<b>21,691.99</b>	<b>199.43</b>	<b>145.36</b>	<b>515.80</b>	<b>42,224.23</b>
Addition	-	80.23	7.83	12.98	847.18	3.79	11.71	11.42	975.14
Disposal	4.08	-	85.47	1,446.66	170.71	3.69	0.93	57.09	1,768.63
Adjustments	(448.72)	(2,260.25)	(871.07)	(348.23)	-	(42.57)	(77.37)	(105.75)	(4,153.96)
<b>Gross carrying value as at March 31, 2017</b>	<b>288.20</b>	<b>1,344.72</b>	<b>5,969.85</b>	<b>6,705.44</b>	<b>22,368.46</b>	<b>156.96</b>	<b>78.77</b>	<b>364.38</b>	<b>37,276.78</b>
<b>Accumulated depreciation as at April 1, 2015</b>	-	-	-	-	-	-	-	-	-
Charge for the period	-	48.02	324.32	371.44	917.51	22.28	37.34	69.36	1,790.27
Disposal	-	0.02	-	-	9.90	6.99	3.57	6.34	26.82
<b>Accumulated depreciation as at March 31, 2016</b>	<b>-</b>	<b>48.00</b>	<b>324.32</b>	<b>371.44</b>	<b>907.61</b>	<b>15.29</b>	<b>33.77</b>	<b>63.02</b>	<b>1,763.45</b>
Charge for the period	-	23.89	299.55	316.44	958.87	17.86	21.99	54.56	1,693.16
Disposal	-	97.45	46.53	147.72	16.97	17.52	26.01	48.48	400.68
<b>Accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>(25.56)</b>	<b>577.34</b>	<b>540.16</b>	<b>1,849.51</b>	<b>15.63</b>	<b>29.75</b>	<b>69.10</b>	<b>3,055.93</b>
<b>Net carrying value as at April 1, 2015</b>	<b>723.14</b>	<b>4,846.52</b>	<b>6,874.83</b>	<b>8,310.26</b>	<b>20,410.51</b>	<b>184.19</b>	<b>133.68</b>	<b>476.30</b>	<b>41,959.43</b>
<b>Net carrying value as at March 31, 2016</b>	<b>741.00</b>	<b>3,476.74</b>	<b>6,594.24</b>	<b>8,115.91</b>	<b>20,784.38</b>	<b>184.14</b>	<b>111.59</b>	<b>452.78</b>	<b>40,460.78</b>
<b>Net carrying value as at March 31, 2017</b>	<b>288.20</b>	<b>1,370.28</b>	<b>5,392.51</b>	<b>6,165.28</b>	<b>20,518.95</b>	<b>141.33</b>	<b>49.02</b>	<b>295.28</b>	<b>34,220.85</b>

**6.1** The Group has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) as on April 1, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost.

**6.2** Gross Block and Net Block of buildings includes ₹ 166.67 lakhs and ₹ 153.51 lakhs (₹ 272.08 lakhs and ₹ 262.75 lakhs as on March 31, 2016 and ₹ 269.71 lakhs and ₹ 269.71 lakhs as on April 1, 2015) respectively being building constructed on land not owned by the Company.

**6.3** Refer note 23 & 29 for charge against PPE.

**6.4** Refer note 17.1 for disposal of Chinakuri power plant.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 7// OTHER INTANGIBLE ASSETS

Particulars	(₹ in lakhs)			
	Computer Software	Right to Charge Users (refer note 7.2)	Right (refer note 7.3)	TOTAL
<b>As at April 1, 2015</b>	290.09	717.41	-	1,007.50
Addition	32.70	1,132.20	-	1,164.90
Disposal	-	-	-	-
Adjustments	-	-	-	-
<b>Gross carrying value as at March 31, 2016</b>	<b>322.79</b>	<b>1,849.61</b>	-	<b>2,172.40</b>
Additions	-	1,253.88	689.45	1,943.33
Disposal	41.87	-	-	41.87
Adjustments	-	-	-	-
<b>Gross carrying value as at March 31, 2017</b>	<b>280.92</b>	<b>3,103.49</b>	<b>689.45</b>	<b>4,073.86</b>
<b>Accumulated depreciation as at April 1, 2015</b>	-	-	-	-
Charge for the period	116.89	140.59	-	257.48
Disposal	-	-	-	-
<b>Accumulated depreciation as at March 31, 2016</b>	<b>116.89</b>	<b>140.59</b>	-	<b>257.48</b>
Charge for the period	91.95	243.34	-	335.29
Disposal	22.19	-	-	22.19
<b>Accumulated depreciation as at March 31, 2017</b>	<b>186.65</b>	<b>383.93</b>	-	<b>570.58</b>
<b>Net carrying value as at April 1, 2015</b>	<b>290.09</b>	<b>717.41</b>	-	<b>1,007.50</b>
<b>Net carrying value as at March 31, 2016</b>	<b>205.90</b>	<b>1,709.02</b>	-	<b>1,914.92</b>
<b>Net carrying value as at March 31, 2017</b>	<b>94.27</b>	<b>2,719.56</b>	<b>689.45</b>	<b>3,503.28</b>

- 7.1 The Group has elected to continue with the carrying value of its intangible asset as on April 1, 2015 (transition date) measured as per previous GAAP and used that carrying value as its deemed cost.
- 7.2 Intangible Asset in respect of the subsidiary, India Power Corporation (Bodhgaya) Limited, being the Right to charge users of the Electricity under the Distribution Franchise Agreement with South Bihar Power Distribution Company Limited.
- 7.3 Right represents the value of intangible rights acquired by India Power Green Utility Private Limited, a subsidiary on acquisition of PL Solar Renewable Limited and PL Sunrays Power Limited. (Refer note 52)

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.1// NON-CURRENT INVESTMENTS

Particulars	(₹ in lakhs)						
	31st March, 2017 (No.)	31st March, 2016 (No.)	1st April, 2015 (No.)	Face value (₹)	31st March, 2017 (Amount)	31st March, 2016 (Amount)	1st April, 2015 (Amount)
<b>Investment in Equity Instruments</b>							
<b>Fully paid up Equity Shares</b>							
<b>Unquoted, Carried at Cost</b>							
<b>Investment in Subsidiary Companies</b>							
Meenakshi Energy Ltd (MEL)	3,811,506,509	-	-	10	0.01	-	-
<b>Unquoted, Carried at Fair value through Profit and Loss</b>							
<b>Investment in Joint venture Companies</b>							
Matsya Shipping and Ports Pvt. Ltd.	5,000	-	-	10	0.50	-	-
Less: Share of profit/(loss)					(0.01)	-	-
India Uniper Power Services Pvt. Ltd.	3,525,000	-	-	10	352.50	-	-
Less: Share of profit/(loss)					(56.41)	-	-
<b>Investment in Other Body Corporate Carried at Fair value through Other Comprehensive Income</b>							
<b>Quoted</b>							
Yule Financing & Leasing Co. Ltd.	297,930	297,930	297,930	10	-	-	-
Tide Water Oil Co. (I) Ltd. (Face value as at 1st April, 2015 ₹ 10/-)	4,024	4,024	1,006	5	242.21	263.50	135.47
<b>Unquoted</b>							
National Power Exchange Ltd	-	500,000	500,000	10	-	25.80	25.80
Transformer & Switchgear Ltd.	24,407	24,407	24,407	10	-	-	-
WEBFIL Limited	2,003,800	2,003,800	2,003,800	10	-	-	-
Woodlands Multispeciality Hospital Ltd	500	500	500	10	0.05	0.05	0.05
India Power Corporation (Tuticorin) Pvt. Ltd. (Formerly India Power Corporation (Bihar) Pvt. Ltd.)	387,600	387,600	-	10	37.29	38.18	-
<b>Investment in Preference Shares</b>							
<b>Fully paid up Preference Shares</b>							
<b>Unquoted, Carried at cost</b>							
<b>Investment in Associate</b>							
0.01% Compulsorily Convertible Preference Shares in India Power Corporation (Haldia) Limited (CCPS)	306,827,040	-	-	10	30,682.70	-	-
<b>Investment in Debentures</b>							
<b>Fully Paid Debentures</b>							
<b>Carried at Fair value through Other Comprehensive Income</b>							
<b>Unquoted</b>							

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.1// NON-CURRENT INVESTMENTS (CONTD.)

Particulars	(₹ in lakhs)						
	31st March, 2017 (No.)	31st March, 2016 (No.)	1st April, 2015 (No.)	Face value (₹)	31st March, 2017 (Amount)	31st March, 2016 (Amount)	1st April, 2015 (Amount)
<b>Investment in Other Body Corporate</b>							
18.00% Unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Pvt. Ltd.	2,500	2,500	2,500	100	2.50	2.50	2.50
<b>Investment for Unforeseen Exigencies Reserve</b>							
<b>Carried at amortised cost</b>							
<b>Quoted - Bonds</b>							
11.00% PFC, 2018	3	3	3	1,000,000	30.00	30.00	30.00
9.05% Corporation Bank, 2019	3	3	3	1,000,000	30.00	30.00	30.00
11.05% IOB, 2018	2	2	2	1,000,000	20.00	20.00	20.00
9.20% Bank of Baroda Perpetual bonds, 2019	3	3	3	1,000,000	30.00	30.00	30.00
9.18% PFC, 2021	4	4	4	1,000,000	39.56	39.56	39.56
9.50% HDFC, 2016	-	-	3	1,000,000	-	-	29.94
11.40% SREI IFL, 2022	2	2	2	1,000,000	19.99	19.99	19.99
10.50% SIFL, 2020	1	1	1	1,000,000	9.75	9.75	9.75
<b>Carried at fair Value through profit and Loss</b>							
<b>Quoted - Mutual Funds</b>							
UTI- GILT Advantage fund long term plan - Dividend payout	639,645	639,645	639,645	10	146.62	125.26	120.53
<b>Investment for Unforeseen Exigencies Reserve Interest</b>							
<b>Carried at amortised cost</b>							
<b>Quoted - Bonds</b>							
7.87% Kerala SDL, 2016	-	-	1,000	100	-	-	0.99
11.40% SREI IFL, 2022	2	2	2	1,000,000	19.99	19.99	19.99
9.40% NABARD, 2016	-	-	1	1,000,000	-	-	10.00
10.50% SIFL, 2020	1	1	1	1,000,000	9.76	9.76	9.76
8.30% GOI 2040 Bond	3,000	3,000	3,000	100	2.92	2.92	2.92
<b>Carried at Fair value through Profit and loss</b>							
<b>Quoted- Mutual Funds</b>							
UTI Balanced Fund (Income Re-investment) Scheme	85,750	78,831	73,333	10	25.85	20.87	21.68
<b>Total</b>					<b>31,645.79</b>	<b>688.13</b>	<b>558.93</b>
Aggregate amount of Quoted Investments					626.65	621.60	530.58
Aggregate Market Value of Quoted Investments					628.40	622.31	534.89
Aggregate amount of Unquoted Investments					31,019.14	66.53	28.35

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.2// CURRENT INVESTMENTS

Particulars	(₹ in lakhs)						
	31st March, 2017 (No.)	31st March, 2016 (No.)	1st April, 2015 (No.)	Face value (₹)	31st March, 2017 (Amount)	31st March, 2016 (Amount)	1st April, 2015 (Amount)
<b>Carried at amortised cost</b>							
<b>Investment for Unforeseen Exigencies Reserve</b>							
<b>Quoted</b>							
7.50% ICICI Bank, 2015	-	-	2	1,000,000	-	-	19.20
9.50% HDFC, 2016	-	3	-	1,000,000	-	29.94	-
<b>Investment for Unforeseen Exigencies Reserve Interest</b>							
<b>Quoted</b>							
7.50% ICICI Bank 2015 Bonds	-	-	2	1,000,000	-	-	19.00
7.87% Kerala SDL, 2016	-	1,000	-	100	-	0.99	-
9.40% NABARD, 2016	-	1	-	1,000,000	-	10.00	-
<b>Total</b>						<b>40.93</b>	<b>38.20</b>
Aggregate amount of Quoted Investments						40.93	38.20
Aggregate Market Value of Quoted Investments						41.21	39.40

- 8.3** 306,454,224 number of CCPS amounting to ₹ 30,645.42 lakhs have been pledged with lenders of IPC(H)L
- 8.4** 3,811,506,509 equity shares of Meenakshi Energy Limited are pledged with lenders of Meenakshi Energy Limited.
- 8.5** Consequent upon sale of equity shares, Matsya Shipping and Ports Pvt. Ltd. has ceased to be a subsidiary of the Company with effect from March 27, 2017 and has become a joint venture of the Company.
- 8.6** During the year India Uniper Power Services Pvt. Ltd has become subsidiary of the company on August 2, 2016 and has ceased to be subsidiary with effect from January 6, 2017 and has become joint venture of the company.
- 8.7** The company has sold fully and compulsorily convertible debenture [FCCD] of ₹ 49,046.07 lakhs to Power Trust along with encumbrances for which necessary approvals need to be obtained. Consequent to sale of FCCD, India Power Corporation (Haldia) Limited (IPC(H)L) has ceased to be a subsidiary w.e.f. March 31, 2017 and has become an associate. The Company does not have any Equity investment in IPC(H)L and proportion of holding as disclosed represents potential voting rights against CCPS. Therefore, as per professional advise received the accounts of IPC(H)L has not been considered for consolidation as per Ind AS 28 "Investments in Associates and Joint Ventures".
- 8.8** The Company acquired 95.07% equity stake of Meenakshi Energy Private Limited "MEPL"(now known as Meenakshi Energy Limited "MEL") at a consideration of USD 1 (₹ 66.48) w.e.f. September 30, 2016 consequent to which MEL became a subsidiary of the Company. Financial Statement of MEL from the period October 1, 2016 to March 31, 2017 are yet to be compiled and audited. Accordingly, the same has not been consolidated as per Ind AS 110 'Consolidated Financial Statements' and effects thereof including those related to Goodwill/Capital Reserve etc. has not been ascertained.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.9 Details of Subsidiaries, Joint ventures and Associate in accordance with Ind AS 112 "Disclosure of interests in other entities"

### (a) Investment in Subsidiaries

Name of the Company	Principal Activity	Note No.	Country of Incorporation	Proportion of ownership interest held by the Company		
				As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
India Power Corporation (Bodhgaya) Ltd.	Electricity Distribution franchise business in Gaya		India	100.00	100.00	100.00
IPCL Pte Limited	Exploring electricity business development opportunities in India and abroad		Singapore	100.00	100.00	100.00
IPCL Power Trading Pvt. Ltd.	Inter state trading of electricity		India	99.81	99.81	99.81
Edison Power Limited (Subsidiary of IPCL Pte Limited)	Exploring electricity business development opportunities in India and abroad		Jersey	51.00	51.00	-
India Power Green Utility Pvt. Ltd. (IPGUPL)	Developing or acquiring green assets portfolio of green energy		India	100.00	100.00	-
PL Solar Renewable Limited (Subsidiary of IPGUPL)	Generation of solar power		India	49.00	-	-
PL Sunrays Power Limited (Subsidiary of IPGUPL)	Generation of solar power		India	49.00	-	-
Matsya Shipping and Ports Pvt. Ltd.	Foray into shipping and ports sector	8.5	India	-	100.00	-
Meenakshi Energy Ltd.	Generation of thermal power	8.8	India	95.07	-	-
India Power Corporation (Haldia) Limited	Generation of thermal power	8.7	India	-	74.28	59.95

### (b) Investment in Joint Ventures

Name of the Company	Principal Activity	Note No.	Country of Incorporation	Proportion of ownership interest held by the Company		
				As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Matsya Shipping and Ports Pvt. Ltd.	Foray into shipping and ports sector	8.5	India	50.00	-	-
India Uniper Power Services Pvt. Ltd.	Assets management services for power generating assets	8.6	India	50.00	-	-

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (c) Investment in Associates

Name of the Company	Principal Activity	Note No.	Country of Incorporation	Proportion of ownership interest held by the Company		
				As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
India Power Corporation (Haldia) Ltd.	Generation of thermal power	8.7	India	30.61	-	-

## 8.10 Summarised financial information for joint ventures

The tables below provide summarised financial information for those joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures. They have been amended to reflect adjustments made by the entity using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Summarised Balance Sheet	(₹ in lakhs)	
	Matsya Shipping and Ports Private Limited	India Uniper Power Services Private Limited
	<b>31st March 2017</b>	<b>31st March 2017</b>
<b>Current Assets</b>		
Cash and cash equivalents	2.42	624.52
Other Assets	-	4.41
<b>Total Current Assets</b>	<b>2.42</b>	<b>628.94</b>
<b>Total Non current assets</b>	<b>-</b>	<b>1.34</b>
<b>Current Liabilities</b>		
Financial liabilities (excluding trade payable)	5.16	9.68
Other liabilities	0.02	56.04
<b>Total Current Liabilities</b>	<b>5.17</b>	<b>65.72</b>
<b>Non Current Liabilities</b>		
Financial liabilities (excluding trade payable)	-	-
Other liabilities	-	0.95
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>0.95</b>
<b>Net Assets</b>	<b>(2.76)</b>	<b>563.61</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Reconciliation of the above summarised financial information to the carrying amount of the interest in Joint Venture recognised in the consolidated financial statement

Particulars	(₹ in lakhs)	
	Matsya Shipping and Ports Private Limited	India Uniper Power Services Private Limited
	<b>31st March, 2017</b>	<b>31st March, 2017</b>
Opening Net assets	-	-
Equity share issued	1.00	705.00
Profit/(Loss) for the year	(3.76)	(141.39)
Other Comprehensive income	-	-
Dividend paid	-	-
<b>Closing net assets</b>	<b>(2.76)</b>	<b>563.61</b>
Proportion of the Group's ownership interest in JV ( % )	0.50	0.50
Proportion of the Group's ownership interest in JV (INR )	(1.38)	281.80
Carrying amount	(1.38)	281.80

Summarised statement of Profit and Loss	(₹ in lakhs)	
	Matsya Shipping and Ports Private Limited	India Uniper Power Services Private Limited
	<b>For the period 27 March, 2017 to 31st March, 2017</b>	<b>Period from 06 January, 2017 to 31st March, 2017</b>
Revenue	-	-
Interest Income	-	-
Depreciation and amortisation	-	(0.12)
Interest expenses	-	(0.59)
Other expenses	-	(112.12)
Income tax expenses	-	-
Profit from continuing operation	-	(112.83)
Profit from discontinued operation	-	-
Profit for the year	-	(112.83)
Other Comprehensive income	-	-
Total Comprehensive Income	-	(112.83)
Dividend received	-	-

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 8.11 Loss of Control over subsidiary

### (a) Gain/(Loss) on sale of shares of subsidiary:

Particulars	(₹ in lakhs)		
	India Power Corporation (Haldia) Ltd.	Matsya Shipping and Ports Pvt. Ltd.	India Uniper Power Services Pvt. Ltd.
	<b>31st March, 2017</b>	<b>27th March, 2017</b>	<b>6th January, 2017</b>
<b>Consideration received</b>			
Consideration	49,046.00	0.50	2.50
Carrying amount of net assets sold	49,046.00	(2.76)	(23.57)
Fair Value of retained investment	-	0.50	2.50
Gain on sale before income tax	-	3.75	28.57
Income tax expense on gain	-	-	-
<b>Gain on sale after income tax</b>	<b>-</b>	<b>3.75</b>	<b>28.57</b>

### (b) Other Financial Information :

- (i) The carrying amounts of assets and liabilities as at the date of sale of India Power Corporation (Haldia) Ltd (March 31, 2017), Matsya Shipping and Ports Pvt. Ltd (March 27, 2017) and India Uniper Power Services Pvt Ltd (August 2, 2016 to January 6, 2017) were as follows:

Particulars	(₹ in lakhs)		
	India Power Corporation (Haldia) Ltd.	Matsya Shipping and Ports Pvt. Ltd.	India Uniper Power Services Pvt. Ltd.
	<b>31st March, 2017</b>	<b>27th March, 2017</b>	<b>6th January, 2017</b>
Property, Plant & Equipment	3,910.31	-	0.69
Capital Work in Progress	312,426.08	-	-
Intangible assets	3.63	-	-
Non-Current assets	93.93	-	-
Current Assets	35,231.76	2.42	8.42
<b>Total Assets</b>	<b>351,665.71</b>	<b>2.42</b>	<b>9.12</b>
Non-Current Liabilities	210,144.81	-	-
Current Liabilities	41,322.63	5.18	32.69
<b>Total Liabilities</b>	<b>251,467.44</b>	<b>5.18</b>	<b>32.69</b>
<b>Net Assets</b>	<b>100,198.27</b>	<b>(2.76)</b>	<b>(23.57)</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(ii) Summarised Statement of Profit and Loss and Cash Flows at the date of sale were as follows :

Particulars	(₹ in lakhs)					
	India Power Corporation (Haldia) Ltd.	Matsya Shipping and Ports Pvt. Ltd.		India Uniper Power Services Pvt. Ltd.		
	31st March, 2017	31st March, 2016	27th March, 2017	31st March, 2016	2nd August, 2016 to 6th January, 2017	31st March, 2016
Revenue	3.00	-	-	-	-	-
Expenses	9.12	5.99	3.76	-	28.57	-
Profit before income tax	(6.12)	(5.99)	(3.76)	-	(28.57)	-
Income tax expense	4.24	(394.75)	-	-	-	-
Profit after income tax	(10.36)	388.76	(3.76)	-	(28.57)	-
Net cash inflow from operating activities	(1,533.93)	11,105.56	(3.58)	-	4.12	-
Net cash inflow (outflow) from investing activities	(50,386.46)	(69,706.00)	-	1.00	(0.73)	-
Net cash (outflow) from financing activities	70,347.94	57,030.93	5.00	-	5.00	-
<b>Net Increase/(Decrease) in cash generated</b>	<b>18,427.55</b>	<b>(1,569.51)</b>	<b>1.42</b>	<b>1.00</b>	<b>8.39</b>	<b>-</b>

## 9// NON-CURRENT FINANCIAL ASSET - LOANS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured Considered Good unless otherwise stated</b>				
<b>Carried at amortised cost</b>				
Deposits		6.61	89.88	83.81
Advances to Employees		-	2.12	7.18
Advance Recoverable		2.19	-	130.11
Loan to Trust		-	1,270.00	-
<b>Total</b>		<b>8.80</b>	<b>1,362.00</b>	<b>221.10</b>

## 10// NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Carried at amortised cost</b>				
Fixed Deposit with banks having maturity of more than 12 months	10.1	275.91	560.97	0.15
Interest receivable	10.1	-	3.23	-
<b>Carried at fair value through other comprehensive income</b>				
Beneficial interest in Power Trust	10.2 & 10.3	81,878.04	81,900.83	81,902.66
<b>Total</b>		<b>82,153.95</b>	<b>82,465.03</b>	<b>81,902.81</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

**10.1** (a) Includes nil (₹ 2.40 lakhs as on March 31, 2016 and ₹ 0.15 lakhs as on April 1, 2015) kept as margin money with bank and ₹ 211.06 lakhs (₹ 328.35 lakhs as on March 31, 2016 and nil as on April 1, 2015) kept with bank as lien against repayment of term loans.

(b) Includes ₹ 62.00 lakhs (₹ 109.36 lakhs as on March 31, 2016 and nil as on April 1, 2015) being investment against unforeseen exigencies fund and ₹ 2.85 lakhs (₹ 124.09 lakhs as on March 31, 2016 and nil as on April 1, 2015) being investment against unforeseen exigencies interest fund.

**10.2** Beneficial interest in Power Trust represent investments in company's shares, associates and other unlisted companies net off borrowings and liabilities pertaining to investment division of erstwhile IPCL transferred to the said Power Trust in terms of the scheme of amalgamation (refer note 5). Considering that the Company's shares are held by an independent trust and are meant for sale in terms of Hon'ble Calcutta High Court order the beneficial interest (including company's shares) has been treated as financial assets and fair valuation as required in terms of Ind AS 109 has been carried out by an independent firm of chartered accountant and the resultant decrease of ₹ 22.80 lakhs (₹ 1.83 lakhs as on March 31, 2016 and increase of ₹ 16.65 lakhs as on April 1, 2015) in value thereof, has been adjusted from other comprehensive income.

**10.3** Refer Note 5.1 for Company's shares transferred and held by Power Trust.

## 11// NON-CURRENT ASSETS - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Advance against goods, services &amp; Others</b>				
<b>Unsecured Considered Good unless otherwise stated</b>				
Prepaid Expenses		79.13	12.57	36.65
Capital Advance		43.50	17,768.03	26,748.52
Advance Others	11.1	855.82	495.90	0.30
Long term Deposit	11.1	4,205.55	2,550.00	-
<b>Total</b>		<b>5,184.00</b>	<b>20,826.50</b>	<b>26,785.47</b>

**11.1** The Company has appointed a facilitation agent to facilitate identification of an Asset Reconstruction Company (ARC) who intends to acquire the financial assets (debt and the security interests) of a power project from its lenders and ensure appointment of the Company as exclusive resolution agent for the said financial asset. In terms of the said arrangement the company has paid a security deposit of ₹ 4,202.55 lakhs including ₹ 1,652.55 lakhs paid during the year and maintenance amount of ₹ 407.32 lakhs including ₹ 167.92 lakhs paid during the year to the facilitation agent to facilitate the ARC to procure the financial assets of the said project. The security deposit and other amounts recoverable from the facilitation agent are secured with the exclusive charge on certain receivables of the facilitation agent from the ARC. Similarly in terms of an arrangement arrived at with an (ARC), the Company has been appointed as resolution agent for resolution of the financial assets (loan and the security interest) towards a power project acquired/to be acquired by the said ARC from a lender. Pending completion of the transaction and settlement with the lenders by ARC, further maintenance amount of ₹ 446.50 lakhs has been paid as part of recoveries in this connection. Consequential adjustments shall be carried out by the company on resolution of financial assets and shall be accounted for on determination of amount thereof.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 12// INVENTORIES

(At lower of cost or net realisable value)

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Coal	12.1	326.09	301.36	384.66
Stores and spares	12.1 & 17.1	860.92	1,222.36	1,693.34
Loose tools	12.1 & 17.1	2.66	2.22	2.50
<b>Total</b>		<b>1,189.67</b>	<b>1,525.94</b>	<b>2,080.50</b>

12.1 Refer note 29 for charge against inventories.

## 13// CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Secured</b>				
Considered good	13.1	1,160.29	1,644.16	1,748.58
<b>Total Secured</b>		<b>1,160.29</b>	<b>1,644.16</b>	<b>1,748.58</b>
<b>Unsecured</b>				
Considered good		16,468.83	11,527.66	8,287.82
Unsecured, considered doubtful		84.63	66.64	-
		<b>16,553.46</b>	<b>11,594.30</b>	<b>8,287.82</b>
Less: Allowance for bad and doubtful debt		84.63	66.64	-
<b>Total Unsecured</b>		<b>16,468.83</b>	<b>11,527.66</b>	<b>8,287.82</b>
<b>Total</b>	13.3	<b>17,629.12</b>	<b>13,171.82</b>	<b>10,036.40</b>

13.1 Secured by security deposits received from the respective consumers.

13.2 The Group extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per Power Purchase Agreements entered with DISCOMs for non regulatory business. Consumer's outstanding balances are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business is covered with PPA with government undertakings and in case of regulated business outstanding are as governed by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No Objection Certificate" from the Group. The Group has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent.

Particulars	(₹ in lakhs)				Total
	Within credit period	Upto 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivable</b>					
As at 31st March, 2017					
Secured	1,022.41	1.08	134.16	2.64	1,160.29
Unsecured	5,623.03	6,327.26	1,949.71	2,653.46	16,553.46
<b>Gross Total</b>	<b>6,645.44</b>	<b>6,328.34</b>	<b>2,083.87</b>	<b>2,656.10</b>	<b>17,713.75</b>
Allowance for bad and doubtful debt	-	-	-	84.63	84.63
<b>Net Total</b>	<b>6,645.44</b>	<b>6,328.34</b>	<b>2,083.87</b>	<b>2,571.47</b>	<b>17,629.12</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars					(₹ in lakhs)
	Within credit period	Upto 6 months	6 to 12 months	Above 12 months	Total
As at 31st March, 2016					
Secured	1,556.15	58.20	22.93	6.88	1,644.16
Unsecured	2,862.85	4,860.34	2,627.37	1,243.74	11,594.30
Gross Total	4,419.00	4,918.54	2,650.30	1,250.62	13,238.46
Allowance for bad and doubtful debt	-	13.64	-	53.00	66.64
<b>Net Total</b>	<b>4,419.00</b>	<b>4,904.90</b>	<b>2,650.30</b>	<b>1,197.62</b>	<b>13,171.82</b>
As at 1st April, 2015					
Secured	1,578.97	49.42	0.71	119.48	1,748.58
Unsecured	3,626.57	3,872.14	633.02	156.09	8,287.82
Gross Total	5,205.54	3,921.56	633.73	275.57	10,036.40
Allowance for bad and doubtful debt	-	-	-	-	-
<b>Net Total</b>	<b>5,205.54</b>	<b>3,921.56</b>	<b>633.73</b>	<b>275.57</b>	<b>10,036.40</b>

13.3 Includes ₹ 444.43 lakhs recoverable from SBPDCL on account of payments made in advance by the consumers prior to taking over the operation by the subsidiary, India Power Corporation (Bodhgaya) Ltd.

13.4 Refer note 29 for charge against the outstanding amount.

13.5 Movement in allowance for bad and doubtful debt.

Particulars			(₹ in lakhs)
	31st March, 2017	31st March, 2016	
Opening Balance	66.64	-	-
Additions	35.76	66.64	66.64
Reversals	(17.77)	-	-
Closing Balance	84.63	66.64	66.64

## 14// CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Particulars				(₹ in lakhs)
	31st March, 2017	31st March, 2016	1st April, 2015	
<b>Cash and Cash Equivalent</b>				
Balances with Banks				
Current account	1,251.48	2,010.80	1,335.24	
Cash on hand	6.28	7.58	4.02	
Stamps in hand	-	0.24	0.24	
Deposit with original maturity less than 3 months	2.00	2,635.00	4,500.00	
<b>Total</b>	<b>1,259.76</b>	<b>4,653.62</b>	<b>5,839.50</b>	

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 14.1 Specified Bank Notes Disclosure (SBN's)

The details of SBN (₹ 500 and ₹ 1000 notes existing as on November 8, 2016) and other notes held and transacted during the period as defined and required vide MCA notification no. GSR 308(E) dated March 30, 2017 are given below:

Particulars	(₹ in lakhs)		
	SBNs	Other denomination Notes	Total
Closing Cash in Hand as on 8.11.2016	48.61	4.94	53.55
(+) Permitted Receipts	639.80	505.47	1,145.27
(-) Permitted Payments	-	11.02	11.02
(-) Amount deposited in Banks	688.41	465.24	1,153.65
<b>Closing Cash in Hand as on 30.12.2016</b>	<b>-</b>	<b>34.15</b>	<b>34.15</b>

## 15// CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Other Balances with Banks</b>				
Fixed deposit	15.1	6,281.47	453.03	1,333.84
Current Account - Unforeseen Exigencies Reserve Fund		0.11	3.08	0.10
Unpaid dividend	31.1	78.03	58.11	39.17
<b>Total</b>		<b>6,359.61</b>	<b>514.22</b>	<b>1,373.11</b>

- 15.1 (a) Includes ₹ 919.98 lakhs (₹ 255.18 lakhs as on March 31, 2016 and ₹ 267.30 lakhs as on April 1, 2015) kept as margin money with bank and ₹ 495.26 lakhs (₹ 193.60 lakhs as on March 31, 2016 and ₹ 460.60 lakhs as on April 1, 2015) kept with bank as lien against repayment of term loans.
- (b) Includes ₹ 189.24 lakhs (nil as on March 31, 2016 and ₹ 50.23 lakhs as on April 1, 2015) being investment against Unforeseen exigencies fund and ₹ 153.59 lakhs (₹ 4.25 lakhs as on March 31, 2016 and ₹ 55.71 lakhs as on April 1, 2015) being investment against unforeseen exigencies interest fund.
- (c) Includes ₹ 4,523.40 lakhs (nil as on March 31, 2016) kept as margin money against bank guarantee issued in favour of lenders of Meenakshi Energy limited.
- (d) Includes ₹ Nil (nil as on March 31, 2016 and ₹ 500 lakhs as on April 1, 2015) kept with bank as lien against overdraft of ₹ 454.40 lakhs

## 16// CURRENT FINANCIAL ASSETS - LOANS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured Considered Good unless otherwise stated</b>				
<b>Carried at amortised cost</b>				
Loan to related parties	16.1	6,369.00	-	-
Loan to employees		2.47	24.75	10.97
Security Deposit		403.71	-	-
Loan to a body corporate		620.00	-	-
Advance Recoverable		0.15	-	-
<b>Total</b>		<b>7,395.33</b>	<b>24.75</b>	<b>10.97</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 16.1 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
1) Loans to Subsidiary company			
- Meenakshi Energy Ltd			
Outstanding balance	6,364.00	-	-
Maximum Amount due during the year	6,364.00	-	-
2) Advance to subsidiary company			
- Meenakshi Energy Ltd			
Outstanding balance	35.59	-	-
Maximum Amount due during the year	35.59	-	-
3) Loans to Joint Venture companies			
- Matsya Shipping & Ports Pvt Ltd			
Outstanding balance	5.00	-	-
Maximum Amount due during the year	5.00	-	-

## 17// CURRENT FINANCIAL ASSETS - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured Considered Good unless otherwise stated</b>				
Interest Accrued		328.97	700.64	131.17
Receivable from Power Trust	8.7 & 17.3	18,446.07	-	-
Receivable - Others	17.1	2,956.29	403.79	326.84
Advance to related party	16.1	35.59	-	-
Short term Security Deposit		-	0.93	0.34
Advance - Employees & Others		18.25	150.95	151.98
Interest Recoverable		901.28	0.55	0.31
Unbilled Revenue		3,514.91	818.03	571.35
Others		1.74	0.96	0.43
<b>Total</b>		<b>26,203.10</b>	<b>2,075.85</b>	<b>1,182.42</b>

**17.1** The lease of Chinakuri Power Station (CPS) with Eastern Coal Fields limited (ECL) has expired on March 31, 2012 and in terms of lease agreement ECL is required to take over all assets at respective Written Down Value as on the date of termination of the lease. In terms of the arbitration order passed by Arbitration Tribunal, handing/taking over of vacant and peaceful possession of CPS has been completed on October 6, 2016, and thereby the resultant amount of ₹ 2,468.10 lakhs has been shown as recoverable from ECL by the Company.

**17.2** The Company's claim/counter claim of ₹ 56,053 lakhs from ECL with respect to above and ECL's claim of ₹ 23,536 lakhs against the Company in this respect are under arbitration pursuant to the order of Hon'ble Supreme Court of India. Adjustment in this respect will be given effect to as and when determined.

**17.3** Receivable from Power Trust represents amount recoverable against sale of FCCD of IPC(H)L to Power Trust net of loan of ₹ 30,600.00 lakhs taken from India Power Corporation (Tuticorin) Pvt. Limited, which in terms of an agreement dated March 31, 2017 has been assigned to said Trust.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 18// OTHER CURRENT ASSETS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Advance to Suppliers	18.1	9,466.79	10,421.77	1,330.79
Advance for Trading Licence Fees		-	-	2.18
Advance for Services		-	-	0.05
Other Advances		15.77	17.65	52.70
Prepaid Expenses		137.81	132.89	126.01
Balance with Government Statutory Authorities		0.55	-	-
Land Lease Prepayment		2.76	-	-
<b>Total</b>		<b>9,623.68</b>	<b>10,572.31</b>	<b>1,511.73</b>

18.1 Includes advance to consultant by IPCL Pte Limited (a subsidiary of the Company) which is subject to confirmation by the said consultant. Consequential adjustments will be carried out on receipt of confirmation/services.

## 19// REGULATORY DEFERRAL ACCOUNT BALANCES

### (a) Debit balances

Particulars	(₹ in lakhs)					
	Receivable Against APR Orders	Fuel and Power Purchase Cost Adjustments	Other Adjustments based on Tariff Regulations	Accrual as per Appellate Tribunal for Electricity Order	Others	Total
<b>As at 01.04.2015</b>	2,794.77	3,352.03	3,674.01	1,206.00	-	11,026.81
Balances arising in the period	-	769.98	2,853.11	-	4,617.23	8,240.32
Reversal	-	-	-	(1,206.00)	-	(1,206.00)
<b>Closing Balance as on 31.03.2016</b>	<b>2,794.77</b>	<b>4,122.01</b>	<b>6,527.12</b>	<b>-</b>	<b>4,617.23</b>	<b>18,061.13</b>
Balances arising in the period	-	720.41	-	-	-	720.41
Recovery	2,794.77	-	-	-	-	2,794.77
Reversal	-	(1,728.56)	(1,766.04)	-	(4,617.23)	(8,111.83)
<b>Closing Balance as on 31.03.2017</b>	<b>-</b>	<b>3,113.86</b>	<b>4,761.08</b>	<b>-</b>	<b>-</b>	<b>7,874.94</b>

### (b) Credit Balances

Particulars	Note No	(₹ in lakhs)	
		Fuel and Power Purchase Cost Adjustments	Total
<b>As at 01.04.2015</b>		-	-
Balances arising in the period		-	-
Recovery/Reversal		-	-
Other Movements		-	-
<b>Closing Balance as on 31.03.2016</b>		<b>-</b>	<b>-</b>
Balances arising in the period	19.2	3,077.57	3,077.57
Recovery/Reversal		-	-
Other Movements		-	-
<b>Closing Balance as on 31.03.2017</b>		<b>3,077.57</b>	<b>3,077.57</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (c) Regulatory Income/(Expense) (net)

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Fuel and Power Purchase Cost Adjustment	19.2	(3,077.57)	769.98
Other Adjustments based on Tariff Regulations and orders	19.2	720.41	2,755.13
Reversal of Accrual as per Appellate Tribunal for Electricity Order		-	(1,206.00)
<b>Total</b>		<b>(2,357.16)</b>	<b>2,319.11</b>

### 19.1 Tariff regulations, risks and uncertainties

In the State of West Bengal tariff for electricity are determined by West Bengal Electricity Regulatory Commission (WBERC/Commission).

- (a) Multi year tariff (MYT) proposal giving therein details for appropriate capital structure to meet the capital investment plan with details of cost of financing including interest cost on debt and return on equity, expected sales for the years and the 'Annual Revenue Requirement' (ARR) covering both variable and fixed cost is submitted to WBERC. Commission examines the MYT proposals thereafter and tariff is determined for different categories of consumers. At the end of the financial year, "Annual Performance Review" (APR) petition for fixed cost and Fuel and Power Purchase Cost Adjustment (FPPCA) for variable cost is submitted to WBERC. WBERC reviews cost incurred under two categories as defined in Tariff regulation as "Controllable" and "Uncontrollable". In case of Uncontrollable cost all increase are allowed on actual basis and for Controllable cost, the commission may disallow any increase if these are not considered to be justifiable.
- (b) The tariff regulation prescribes various normative operational and financial parameters for the Company. Any variation thereof may lead to disallowances. The Company is exposed to regulatory risk to the extent accruals are disallowed on assessment.

- (c) As per the Tariff Regulation any increase in Variable cost is allowed to be recovered from consumers based on formula prescribed in the Tariff Regulation for "Fuel and Power Purchase Cost Adjustment" (FPPCA) as 'monthly variable cost adjustment' (MVCA). FPPCA recoverable/ refundable, reliability incentive etc is accounted for as regulatory income/(expense) in the statement of profit and loss.
- (d) Regulatory deferral balances relate to FPPCA and Reliability incentives created on the basis of latest declared tariff order. Accruals on account of FPPCA and reliability incentives etc are recognised in books as per formula prescribed in Tariff Regulation. Reversal/ accrual are carried out in the year in which Tariff, FPPCA and APR orders are received. Recovery of the regulatory deferral balances are carried out in the manner and instalments as allowed by WBERC.

19.2 Payable on account of FPPCA of ₹ 3,077.57 lakhs for the year has been recognised on the basis of formulae prescribed under the applicable Tariff Regulations, and is net of ₹ 2,012.55 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. The Company is entitled for incentives and gains including incentive for reliability in power supply and accordingly based on applicable norms as per Tariff Regulation, ₹ 720.41 lakhs have been recognised. Adjustments in these respects are carried out and given effect to from time to time based on the order of West Bengal Electricity Regulatory Commission or directions from appropriate authorities.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 20// EQUITY SHARE CAPITAL

Particulars	(₹ in lakhs)					
	31st March, 2017		31st March, 2016		1st April, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>						
10% 'A' Cumulative preference shares of ₹ 100 each	16,000	16.00	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of ₹ 100 each	12,000	12.00	12,000	12.00	12,000	12.00
Equity Shares of ₹ 1 each	16,997,200,000	169,972.00	16,997,200,000	169,972.00	16,997,200,000	169,972.00
<b>Issued, Subscribed and fully paid up equity shares</b>						
Equity Shares of ₹ 1 each	973,789,640	9,737.90	973,789,640	9,737.90	973,789,640	9,737.90
<b>Total</b>	<b>973,789,640</b>	<b>9,737.90</b>	<b>973,789,640</b>	<b>9,737.90</b>	<b>973,789,640</b>	<b>9,737.90</b>

20.1 The Company has only one class of equity shares having a par value of ₹ 1 each. Each share has one voting right.

20.2 There is no movement in the number of shares outstanding and the amount of share capital as at 31st March, 2017 and 31st March, 2016.

20.3 Details of Shareholders holding more than 5% of equity shares each, are set out below:

Name of the Shareholders	31st March, 2017	31st March, 2016	1st April, 2015
	No. of Shares	No. of Shares	No. of Shares
Erstwhile India Power Corporation Ltd. (refer note 5.1)	516,132,374	665,219,568	665,219,568
Aksara Commercial Private Limited (refer note 20.5)	63,199,293	-	-
Power Trust (held in the name of the Trustee of the Trust )	326,316,563	240,428,662	240,428,662

20.4 The above disclosures, are without giving effect to the further issue and cancellation of equity shares pursuant to the scheme of amalgamation as given in note 5.1.

20.5 Refer note no.5.1 for movement with respect to these shares.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 21// OTHER EQUITY

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Capital Reserve				
- Contribution from Consumers Towards Service Lines	21.1	2,103.76	1,762.56	1,526.13
- Other Capital Reserve	21.2	82.47	82.47	82.47
- Capital Reserve on acquisition	21.3	265.63	-	-
Debenture Redemption Reserve	21.4	2,350.00	2,000.00	1,650.00
General Reserve	21.5	77,403.62	77,403.62	77,403.62
Reserve for unforeseen Exigencies fund	21.6	516.95	418.39	323.37
Reserve for unforeseen Exigencies Interest fund	21.6	224.08	174.90	130.88
Foreign Currency Translation Reserve	21.7	26.25	(3.88)	(0.19)
Retained Earnings	21.8	14,101.75	10,950.01	8,236.40
Other Comprehensive Income				
- Remeasurement of defined benefit plan		(546.83)	(484.28)	(427.27)
- Fair Value of beneficial interest in Power Trust and equity instruments through OCI	21.10	82.36	125.63	-
<b>Total</b>		<b>96,610.04</b>	<b>92,429.42</b>	<b>88,925.41</b>

**21.1** Based on expert opinion obtained, considering that capital contribution from consumers toward service lines are not refundable to the consumers even after they cease to be consumers and the underlying assets there against being under ownership of the Company, such contribution are being treated as Capital Reserve.

**21.2** Reserve arising on amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as other capital reserve.

**21.3** During the year India Power Green Utility Private Limited (subsidiary of the company), acquired two companies PL Solar Renewable Limited and PL Sunrays Power Limited. The Capital Reserve on acquisition represents the additional net assets received by the Parent pursuant to the acquisition of the above mentioned companies and is net of ₹ 2.67 lakhs recognised as Goodwill on acquisition in earlier years in respect of acquisition of a subsidiary.

**21.4** Debenture Redemption Reserve is required to be created out of the profits available for payment of dividend in terms of Section 71 of the Companies Act, 2013 which is equal to 25% of the face value of the debentures issued and outstanding. The reserve will be released on redemption of the debentures.

**21.5 (a)** The general reserve is created from time to time by appropriating profits from retained earnings at the discretion of the Company. As the general reserve is created by a transfer from one component of equity to another, and accordingly it is not reclassified to the statement of profit and loss.

**21.5 (b)** General Reserve include ₹ 56,887.09 lakhs being General reserve of amalgamating company. In terms of note 5. Further, reserve of ₹ 20,079.84 lakhs arising on amalgamation as stated in note 5.2 has also been included therein.

**21.6** Reserve for unforeseen exigencies are created in terms of the Tariff Regulation issued by West Bengal Electricity Regulatory Commission. The sum appropriated to 'Reserve for unforeseen exigencies' are to be invested in specified securities and financial instruments (fixed deposit) at nationalised bank. The interest accrued from such investment is reinvested and kept under - 'Reserve for unforeseen exigencies Interest fund'. The aforesaid reserves or fund shall be drawn upon only to meet such charges as the Commission may approve.

**21.7** Foreign Currency Translation Reserves has been created for exchange differences relating to translation of the results and net assets of the Group's foreign operations

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

from their functional currencies to the Group's presentation currency (i.e. ₹).

**21.8** Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Group.

## 21.9 Dividend Distribution

The amount that can be distributed by the Group as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.

On September 10, 2016 a dividend pertaining to the financial year 2015-2016 of ₹ 0.05 per equity shares aggregating to ₹ 154.29 lakhs and the dividend distribution tax of ₹ 31.40 lakhs has been approved for payment to equity shareholders of the Company.

In respect of the year ended March 31, 2017, the Board of Directors has recommended a dividend of ₹ 0.05 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General

Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 788.97 lakhs and the dividend distribution tax thereon amounts to ₹ 160.62 lakhs.

**21.10 (a)** OCI represent actuarials gains and losses on defined benefit obligations and

**(b)** The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed. This will not be reclassified to statement of profit and loss.

**21.11** Refer Statement of Changes in Equity for movement in balances of reserves.

## 22// NON - CONTROLLING INTEREST

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
Balance at the beginning of year	20,471.35	20,092.40
Share of Profit for the year	(17.25)	375.57
Non-controlling interest arising on the acquisition	(20,469.50)	3.38
<b>Closing Balance</b>	<b>(15.40)</b>	<b>20,471.35</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

22.1 The details of Principal place of operation/country of incorporation, principal activities and percentage of ownership interest and voting power (directly held by the Group) of subsidiaries are set out in Note no 8.9.

(a) Name of Subsidiary	Proportion of ownership interests			Profit/(Loss) allocated to Non-Controlling Interests		Accumulated Non-Controlling Interests		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	1st April, 2015
	(₹ in lakhs)							
IPCL Power Trading Private Limited	99.81%	99.81%	99.81%	0.05	0.03	1.09	1.04	1.01
Edison Power Limited	51%	51%	-	(6.94)	(13.23)	(16.48)	(9.55)	-
India Power Corporation (Haldia) Limited	-	74.28%	59.95%	(10.37)	388.76	-	20,479.86	20,091.39
<b>Total</b>				<b>(17.26)</b>	<b>375.56</b>	<b>(15.40)</b>	<b>20,471.35</b>	<b>20,092.40</b>

(b) Summarised financial information of each of the subsidiaries having material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations:-

Particulars	IPCL Power Trading Private Limited		Edison Power Limited		India Power Corporation (Haldia) Limited	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
(₹ in lakhs)						
<b>Assets</b>						
Non-current assets	1.30	-	-	-	316,433.95	255,341.60
Current assets	8,347.69	551.92	47.08	68.32	35,231.76	3,212.67
<b>Liabilities</b>						
Non-current liabilities	1.07	1.35	62.06	67.16	210,144.81	165,224.26
Current liabilities	7,786.02	14.95	16.24	21.16	41,322.63	13,631.38
Equity attributable to owners of the Company	560.81	534.58	(14.74)	(10.45)	-	59,218.77
Non-Controlling Interest	1.09	1.04	(16.48)	(9.55)	-	20,479.86

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	IPCL Power Trading Private Limited		Edison Power Limited		India Power Corporation (Haldia) Limited	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	8,047.45	47.78	-	-	3.00	-
Expense	8,009.90	27.44	13.60	26.64	9.12	5.99
Net profit/(loss) before tax	37.55	20.34	(13.60)	(26.64)	(6.12)	(5.99)
Profit/(Loss) attributable to owners of the Company	0.05	0.03	(6.66)	(13.42)	-	-
Profit/(Loss) attributable to owners of Non-Controlling Interest	37.50	20.31	(6.94)	(13.22)	(6.12)	(5.99)
Other Comprehensive Income	0.30	-	-	-	-	-
Total Comprehensive Income	26.28	13.14	(13.60)	(26.64)	(6.12)	(5.99)
Total Comprehensive Income attributable to owners of the Company	26.23	13.12	(6.66)	(13.42)	-	-
Total Comprehensive Income attributable to Non-Controlling Interest	0.05	0.03	(6.94)	(13.22)	(6.12)	(5.99)

Particulars	IPCL Power Trading Private Limited		Edison Power Limited		India Power Corporation (Haldia) Limited	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Net cash inflow/(outflow) from operating activities	415.43	(458.60)	(11.66)	(56.50)	(1,533.93)	11,105.56
Net cash inflow/(outflow) from investing activities	(580.78)	-	-	74.66	(50,386.46)	(69,706.00)
Net cash inflow/(outflow) from financing activities	164.39	(19.00)	(5.68)	-	70,347.94	57,030.93
Net cash inflow/(outflow)	(0.97)	(477.60)	(17.34)	18.16	18,427.55	(1,569.51)
Dividend paid to Non-controlling interest (including tax)	-	-	-	-	-	-

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 23// NON CURRENT FINANCIAL LIABILITY - BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2017			31st March, 2016			1st April, 2015		
		Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
<b>Secured</b>										
Non Convertible Debentures	23.1	7,910.36	1,938.36	9,848.72	9,848.71	1,925.33	11,774.04	11,699.76	-	11,699.76
<b>Term Loan</b>										
- from Banks	23.2	35,526.15	2,350.45	37,876.60	37,715.55	3,906.84	41,622.39	13,060.65	2,680.11	15,740.76
- from Other Financial Institutions	23.3	10,557.88	552.95	11,110.83	164,483.07	-	164,483.07	104,427.05	-	104,427.05
<b>Unsecured</b>										
- from a body corporate		-	-	-	15,000.00	-	15,000.00	15,019.00	-	15,019.00
- Finance lease obligation		22.19	-	22.19	91.29	-	91.29	88.16	-	88.16
<b>Total</b>		<b>54,016.58</b>	<b>4,841.76</b>	<b>58,858.34</b>	<b>227,138.62</b>	<b>5,832.17</b>	<b>232,970.79</b>	<b>144,294.62</b>	<b>2,680.11</b>	<b>146,974.73</b>

### In respect of the Company

**23.1 (a)** Includes 10.75% Secured Redeemable Non Convertible Debentures aggregating to ₹ 7848.72 lakhs (₹ 9,774.04 lakhs as on March 31, 2016 and ₹ 9,699.76 lakhs as on April 1, 2015) redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. November 3, 2010 and secured by mortgage of immovable properties consisting of 1.0749 acres of land and all the buildings including all structure, there on, fixed plant and machinery, furniture & fittings, present and future at Plot X1-3, Block EP, Salt lake, Kolkata and 1731.82 sq mtr. land at Iswarpura (Gujarat).

**23.1 (b)** Includes 12% Secured Redeemable Non Convertible Debentures aggregating to ₹ 2,000 lakhs redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. September 19, 2012 and secured by mortgage of immovable properties consisting of land measuring 20.74 acres and building at Kaithi

and Seebpore Mouza at Burdwan District including Bungalows, Quarters, Offices etc at Luchipur Receiving Station area of 56,633.94 sq.ft under Seebpore circle.

**23.2 (a)** Includes term loan of ₹ 2,649.12 lakhs (₹ 3087.95 lakhs as on March 31, 2016 and ₹ 3,526.22 lakhs as on April 1, 2015) at bank base rate plus 2.5% and is repayable after moratorium of two years from April 1, 2012 in 9 years in thirty six equal quarterly instalments and is secured by exclusive charge on assets of 1x12 MW plant project and immovable property consisting of land of 20.10 acres at Dishergarh, District Burdwan and second pari passu charge on assets charged to secure Non Convertible Debentures of ₹ 10,000 lakhs given in note 23.1(a).

**23.2 (b)** Includes term loan of ₹ 6,819.43 lakhs (₹ 7,454.12 lakhs as on March 31, 2016 and ₹ 7,447.71 lakhs as on April 1, 2015) at MCLR plus

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

1.9% and is repayable in 9 years from revised date i.e. September 10, 2016 in equal quarterly instalments and is secured by pari passu charge of entire fixed assets pertaining to 220/33 kv sub-station at J.K Nagar, Burdwan, both present and future.

- 23.2 (c)** Includes term loan of ₹ Nil (₹ 1,999.99 lakhs as on March 31, 2016 and ₹ 4,000 lakhs as on April 1, 2015) at bank base rate plus 0.75% and is repayable in nine quarterly instalments of ₹ 500 lakhs each with effect from January 30, 2015 with annual put and call option and is secured by hypothecation by way of exclusive first charge on certain movable fixed assets of 29 kv Dishergarh distribution network and 11 kv Seebpore distribution network.
- 23.2 (d)** Include loan of ₹ 22,687.31 lakhs (₹ 22,705.03 lakhs as on March 31, 2016 and Nil as on April 1, 2015) availed as renewal cum sanction of working capital facilities at bank base rate plus 1.15% renewable every year for a period upto seven years and is secured by subservient charge on the movable fixed assets and current assets of the Company except such assets which are exclusively charged/to be exclusively charged to any other bank or financial institution.
- 23.2 (e)** Includes term loan of ₹ 4,750 lakhs (₹ 5,000 lakhs as on March 31, 2016 and Nil as on April 1, 2015) at bank base rate repayable in 16 quarterly instalments with effect from December 8, 2016 and is secured by exclusive first charge on movable and other fixed assets of Dishergarh Receiving Station, Parbelia Substation and Dishergarh Power Station of the Company both present and future and negative lien on certain immovable fixed assets.
- 23.2 (f)** Includes term loan of ₹ 745.74 lakhs (₹ 850.30 lakhs as on March 31, 2016 and Nil as on April 1, 2015) at bank base rate plus 1.25% repayable in 40 instalments with effect from March 31, 2016 and is secured by first pari passu charge with other financing banks/financial institution on the assets created/to be created out of the term loan, both present and future and exclusive fixed charge on certain fixed assets of the Company.
- 23.2 (g)** Includes term loan of Nil (Nil as on March 31, 2016 and ₹ 16.83 lakhs as on April 1, 2015) at the rate of 10.25% repayable in 35 monthly instalments of ₹ 2.49 lakhs each and is secured against asset purchased out of the loan.
- In respect of the subsidiary India Power Corporation (Bodhgaya) Ltd.**
- 23.2 (h)** Term loan of ₹ 225 lakhs (₹ 525 lakhs as on March 31, 2016) at bank base rate plus 1% is repayable in 10 equal quarterly instalments started from 15th July 2015. The Loan is secured by way of first pari passu charge on all movable and immovable fixed assets (both present and future) (now classified as intangible assets as per Ind AS) of the company and second pari passu charges on all book debts, stock (both present and future) and bank balance, and is further secured by irrevocable corporate guarantee issued by IPCL, the parent company.
- 23.3 (a)** Loan from Other Financial Institution of ₹ 11,111.13 lakhs (₹ 9,801.13 as on March 31, 2016) at 11.75% p.a. as on March 31, 2017 and repayment of principal will start from F.Y. 2017-18 in variable quarterly instalments and is secured by 1st pari passu charge on fixed assets (now classified as Intangible assets as per Ind AS) with other Term Lenders and 2nd pari passu charge on current assets both present and future.
- In respect of the subsidiary India Power Corporation (Haldia) Ltd.**
- 23.3 (b)** Include term loan of ₹ Nil (₹ 90,388.52 lakhs as on March 31, 2016 and ₹ 60,816.97 lakhs as on April 1, 2015) which carries interest rate of 13.40%-14.00% p.a. and is repayable in 40 equal quarterly instalments of ₹ 33.68 crores beginning from June 30, 2017 and is secured by the way of the following:
- (i) pari passu first charge by the way of mortgage on all the immovable properties including leasehold land, both present and future pertaining to the project,
  - (ii) pari passu first charge created/to be created

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

by way of hypothecation of all assets including the movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, operating cash flows, book debts, receivable, commission and any other revenues of whatsoever nature and wherever arising, both present and future and

(iii) assignment of all project related documents, contracts, right, interest, insurance contracts and all benefit incidental to project activities.

**23.3 (c)** Include term loan of ₹ Nil (₹ 64,293.42 lakhs as on March 31, 2016 and ₹ 43,610.08 lakhs as on April 1, 2015) which carries interest rate of 13.40%-13.75% p.a and is repayable in 40 equal quarterly instalments of ₹ 23.97 crores beginning from April 15, 2017 and is secured by the way of the following:

(i) pari passu first charge by the way of mortgage on all the immovable properties including leasehold land, both present and future pertaining to the project.

(ii) pari passu first charge created/to be created by way of hypothecation of all assets including the movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, operating cash flows, book debts, receivable, commission and any other revenues of whatsoever nature and wherever arising, both present and future.

(iii) assignment of all project related documents, contracts, right, interest, insurance contracts and all benefit incidental to project activities.

## 24// NON CURRENT FINANCIAL LIABILITY - TRADE PAYABLES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Carried at amortised cost</b>				
Trade Payables	24.1	3,156.47	2,872.09	2,648.97
<b>Total</b>		<b>3,156.47</b>	<b>2,872.09</b>	<b>2,648.97</b>

**24.1** Includes ₹ 2,168.78 lakhs accounted for on the basis of tariff rates (including fuel cost adjustments) charged by DVC on a provisional basis. Pending issuance of revised tariff order by the Hon'ble Central Electricity Regulatory Commission (CERC) for the years 2006-07 to 2008-09, in terms of the directions issued by the Hon'ble Appellate Tribunal for Electricity (ATE). The Tariff fixed by CERC and the directions issued by the Hon'ble ATE has been challenged by DVC before the Hon'ble Supreme Court of India.

## 25// NON CURRENT FINANCIAL LIABILITY - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>Carried at amortised cost</b>				
Advance from Consumers		2,424.21	2,162.73	2,305.46
Security Deposit Received from Consumers	13.1	2,626.96	2,346.12	2,013.55
Interest accrued and due against Debentures- Long Term		-	7,809.67	7,809.67
Advance from Power Trust		-	1,196.99	839.63
Interest accrued and due on advance- Long Term		-	919.10	1,276.46
Others		735.32	656.03	585.09
<b>Total</b>		<b>5,786.49</b>	<b>15,090.64</b>	<b>14,829.86</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 26// NON CURRENT LIABILITY - PROVISIONS

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Employee benefits	332.81	531.94	391.89
<b>Total</b>	<b>332.81</b>	<b>531.94</b>	<b>391.89</b>

## 27// DEFERRED TAX LIABILITIES (NET)

The following is the analysis of deferred tax assets/(liabilities) presented in Balance Sheet:

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Deferred tax assets	1,989.09	2,275.84	2,226.19
Deferred tax liabilities	(6,890.66)	(6,298.79)	(6,169.76)
<b>Total Deferred tax (liabilities)/assets</b>	<b>(4,901.57)</b>	<b>(4,022.95)</b>	<b>(3,943.57)</b>

Gross deferred tax liability and assets for the year ended 31st March, 2017 are as follows:

Particulars	(₹ in lakhs)		
	Liability	Asset	Net
Property, Plant and Equipment	(6,535.25)	-	(6,535.25)
Unamortised borrowing cost	(75.25)	-	(75.25)
Provision for employee benefits	-	588.25	588.25
Voluntary retirement & other benefits allowable on amortisation basis	-	55.45	55.45
MAT Credit	-	1,315.91	1,315.91
Unrealised Gain(loss) on security carried at fair value through P&L/OCI	(9.64)	-	(9.64)
Receivable, loans and advances	-	0.19	0.19
Trade and other payables	(252.16)	-	(252.16)
Others	(18.36)	29.29	10.93
<b>Total Deferred tax Liability</b>	<b>(6,890.66)</b>	<b>1,989.09</b>	<b>(4,901.57)</b>

Gross deferred tax liability and assets for the year ended 31st March, 2016 are as follows:

Particulars	(₹ in lakhs)		
	Liability	Asset	Net
Property, Plant and Equipment	(5,915.62)	-	(5,915.62)
Unamortised borrowing cost	(109.82)	-	(109.82)
Provision for employee benefits	-	541.92	541.92
Voluntary retirement & other benefits allowable on amortisation basis	-	127.39	127.39
MAT Credit	-	1,583.47	1,583.47
Unrealised Gain(loss) on security carried at fair value through P&L/OCI	(4.77)	-	(4.77)
Receivable, loans and advances	(7.23)	-	(7.23)
Trade and other payables	(261.35)	-	(261.35)
Others	-	23.06	23.06
<b>Total Deferred tax Liability</b>	<b>(6,298.79)</b>	<b>2,275.84</b>	<b>(4,022.95)</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Significant component of net deferred tax liability and assets for the year ended 31st March, 2017 are as follow:

Particulars	Note No.					(₹ in lakhs)
		Opening Balance	Recognised through Profit or loss (Refer Note 27.2)	Recognised in/reclassified from other comprehensive income	Other adjustments	Closing Balance
Property, Plant and Equipment		(6,235.94)	(537.21)	-	-	(6,773.15)
Unamortised borrowing cost		(100.96)	34.67	-	-	(66.29)
Provision for employee benefits		476.69	(74.19)	33.07	-	435.57
Voluntary retirement & other benefits allowable on amortisation basis		127.39	(71.94)	-	-	55.45
MAT Credit	27.1	1,565.40	-	-	(281.26)	1,284.14
Unrealised Gain(loss) on security carried at fair value through P&L/OCI		(4.77)	(4.87)	-	-	(9.64)
Receivable, loans and advances		(7.23)	7.42	-	-	0.19
Trade and other payables		(261.35)	9.19	-	-	(252.16)
Others		417.82	6.50	-	-	424.32
<b>Total Deferred tax Liability</b>		<b>(4,022.95)</b>	<b>(630.43)</b>	<b>33.07</b>	<b>(281.26)</b>	<b>(4,901.57)</b>

Significant component of net deferred tax liability and assets for the year ended 31st March, 2016 are as follows:

Particulars	Note No.					(₹ in lakhs)
		Opening Balance	Recognised through Profit or loss (Refer note 27.2)	Recognised in/reclassified from other comprehensive income		Closing Balance
Property, Plant and Equipment		(5,785.14)	(450.80)	-	-	(6,235.94)
Unamortised borrowing cost		(116.99)	16.03	-	-	(100.96)
Provision for employee benefits		479.97	(32.51)	29.23	-	476.69
Voluntary retirement & other benefits allowable on amortisation basis		162.75	(35.36)	-	-	127.39
MAT Credit		1,565.40	-	-	-	1,565.40
Unrealised Gain(loss) on security carried at fair value through P&L/OCI		(4.29)	(0.48)	-	-	(4.77)
Receivable, loans and advances		(9.83)	2.60	-	-	(7.23)
Trade and other payables		(253.51)	(7.84)	-	-	(261.35)
Others		18.07	399.75	-	-	417.82
<b>Total Deferred tax Liability</b>		<b>(3,943.57)</b>	<b>(108.61)</b>	<b>29.23</b>		<b>(4,022.95)</b>

**27.1** Other adjustments represents MAT credit utilisation against regular income tax liability.

**27.2** Includes ₹ 3.53 lakhs (previous year ₹ 13.20 lakhs) adjusted against current tax in the subsidiaries.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 28// NON CURRENT LIABILITY - OTHERS

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Advance from Consumers	2,129.23	2,178.18	859.12
Deferred Credit for long term payable	1,269.39	1,878.68	2,560.97
Others	0.07	-	-
<b>Total</b>	<b>3,398.69</b>	<b>4,056.86</b>	<b>3,420.09</b>

## 29// CURRENT - BORROWINGS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Secured - From banks				
Repayable on demand - Cash Credit	29.1	10,286.97	9,669.91	3,756.13
Short Term Loan	29.2	2,500.00	2,500.00	8,500.00
Unsecured- From banks				
Repayable on demand - overdraft from bank	29.3	-	-	454.40
From other parties				
Inter Corporate Deposit		200.00	6,700.00	-
<b>Total</b>		<b>12,986.97</b>	<b>18,869.91</b>	<b>12,710.53</b>

### In respect of the Company

- 29.1 (a)** Includes ₹ 2,981.49 lakhs (₹ 2,808.80 lakhs as on March 31, 2016 and ₹ 470.76 lakhs as on April 1, 2015) secured by first pari passu charge on current assets both present and future and second pari passu charge on fixed assets of the company charged against Non Convertible Debentures of ₹ 10,000 lakhs as given in note 23.1 (a).
- 29.1 (b)** Includes ₹ 2,652.70 lakhs (₹ 3,646.31 lakhs as on March 31, 2016 and ₹ 2,164.92 lakhs as on April 1, 2015) secured by first charge, ranking pari passu on current assets both present and future.
- 29.1 (c)** Include ₹ 2,894.46 lakhs (₹ 1,066.17 lakhs as on March 31, 2016 and ₹ 130.39 lakhs as on April 1, 2015) secured by first pari passu charge on current assets both present and future.
- 29.1 (d)** Include ₹ 100.64 lakhs (₹ 707.85 lakhs as on March 31, 2016 and ₹ 62.59 lakhs as on April 1, 2015) secured by first pari passu charge on current assets both present and future and exclusive charge on certain movable fixed assets of Dhasal sub-station.

### In respect of the subsidiary India Power Corporation (Bodhgaya) Limited

- 29.1 (e)** Include ₹ 1,657.68 lakhs (₹ 1,440.78 lakhs as on March 31, 2016 and ₹ 927.47 lakhs as on April 1, 2015) secured by first pari passu charge on current assets both present and future, subordinate to charge of SBPDCL as per term of DFA.

### In respect of the Company

- 29.2 (a)** Includes ₹ 2,500 lakhs (₹ 2,500 lakhs as on March 31, 2016 and ₹ 5,000 lakhs as on April 1, 2015) towards working capital demand loan repayable after 6 months from disbursement i.e. January 3, 2017 and is secured by first pari passu charge on current assets of the Company both present & future.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

**29.2 (b)** Includes ₹ Nil (Nil as on March 31, 2016 and ₹ 3,500 lakhs as on April 1, 2015) towards working capital demand loan repayable after 92 days from disbursement i.e. March 24, 2015 and is secured by first pari passu charge on entire current assets of the Company.

**29.3** Include ₹ Nil (Nil as on March 31, 2016 and ₹ 454.40 lakhs as on April 1, 2015) is secured by lien on fixed deposit of ₹ 500 lakhs of IPCL Power Trading Private Limited, a subsidiary of the Company.

## 30// CURRENT FINANCIAL LIABILITY - TRADE PAYABLES

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	30.1	178.23	28.95	38.16
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	30.2	17,415.45	9,108.97	7,635.48
<b>Total</b>		<b>17,593.68</b>	<b>9,137.92</b>	<b>7,673.64</b>

### 30.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro enterprise and small enterprises are based on information available with the Company. There are no delays in payment made to such suppliers. There is no overdue amount outstanding as at the balance sheet date.

**30.2** In respect of the subsidiary India Power Corporation (Bodhgaya) Limited, it has disputed the claim of South Bihar Power Distribution Company Limited (SBPDCL) in view of discrepant billing by SBPDCL.

## 31// CURRENT FINANCIAL LIABILITY - OTHERS

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
Current Maturity for long term Borrowings	23.1 & 23.2	4,841.76	5,832.17	2,680.11
Interest Accrued but not due on Borrowings		506.35	2,413.17	1,727.16
Interest on Consumer security deposit		366.83	269.50	185.60
Security Deposit Received		187.23	138.08	115.41
Payable for purchase of capital goods		525.66	572.66	497.04
Other Payable		4,235.36	12,436.67	563.92
Unpaid/Unclaimed Dividend	31.1	78.03	58.11	39.16
Liability towards employees		-	48.85	35.54
Payments towards Capital Work in Progress		-	-	6,908.13
Pass through payables		969.48	906.17	933.73
<b>Total</b>		<b>11,710.70</b>	<b>22,675.38</b>	<b>13,685.80</b>

**31.1** Unclaimed dividend does not include any amount due and outstanding to be credited to Investor Education and Protection fund.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 32// OTHER CURRENT LIABILITY

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Advance from Consumers	50.67	27.59	88.88
Statutory Dues payable	2,454.54	2,432.20	2,314.61
Advance Received	13.63	-	-
Others	74.55	0.03	-
Deferred Credit	609.31	682.28	709.67
<b>Total</b>	<b>3,202.70</b>	<b>3,142.10</b>	<b>3,113.16</b>

## 33// CURRENT LIABILITY - PROVISIONS

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Employee Benefit	1,315.01	1,311.16	1,180.06
Provision for wealth tax	-	-	5.69
Provision for Income tax	-	1.69	-
<b>Total</b>	<b>1,315.01</b>	<b>1,312.85</b>	<b>1,185.75</b>

## 34// REVENUE FROM OPERATIONS

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Energy	34.1	66,400.77	69,167.53
Other operating revenues	34.2	5,803.99	2,859.33
<b>Total</b>		<b>72,204.76</b>	<b>72,026.86</b>

### 34.1.1 Regulatory

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Energy (₹ in lakhs)		38,893.28	49,608.26
Sale of Energy (in Kwh)		676739776	796732137

### 34.1.2 Non Regulatory

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Energy (₹ in lakhs)		27,507.49	19,559.27
Sale of Energy (in Kwh)		601354614	417819569

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 34.2 Other operating revenues includes

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Meter Rent	371.27	289.96
Proceeds of carbon credits	-	6.37
Compensation Received	1,609.20	250.00
Delayed payment charges	2,006.61	789.23
Incentive on wind power generation	61.02	64.24
Liabilities written back	-	7.97
Income from service concession arrangement	1,253.88	1,132.20
Miscellaneous income	502.01	319.36
<b>Total</b>	<b>5,803.99</b>	<b>2,859.33</b>

## 35// OTHER INCOME

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Interest income on investment in Bonds and Securities - long term	35.1	23.92	44.82
Interest Income on Deposits and Others		1,482.76	772.44
Interest Income on Income Tax Refunds		3.00	0.05
Interest income on unwinding of financial instruments		690.42	734.74
Gain on fair valuation of Mutual fund		24.34	2.42
Gain on Foreign Exchange Fluctuation		-	21.09
Dividend Income on long term Investments		7.53	5.53
Depreciation Reversal (net of loss on sale/discard of fixed assets ₹ 7.77 lakhs)	35.2	477.92	-
Profit on sale of Investments - long term		32.39	1.80
Rent Received		20.47	19.98
Insurance Claim received		1.71	66.74
Misc Receipts		55.44	25.55
Profit on sale of stores/scrap		-	58.01
<b>Total</b>		<b>2,819.90</b>	<b>1,753.17</b>

35.1 Interest income includes ₹ 49.18 lakhs being interest received/accrued during the year on reserve for Unforeseen Exigencies Investment, which has been appropriated to Reserve for unforeseen exigencies - interest in terms of Tariff Regulations as given below:

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest Accrued and Received during the year	13.42	25.58
Interest Accrued during the year but not received	35.76	18.44
<b>Total</b>	<b>49.18</b>	<b>44.02</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

35.2 As stated in Note 17.1 on handing/taking over certificate of vacant and peaceful possession of (CPS) was completed on October 6, 2016. Consequent upon this fixed assets and inventory lying in the leased premises at CPS has been adjusted with effect from April 1, 2012 and depreciation already provided from April 1, 2012 has been written back.

## 36// ENERGY PURCHASE

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Energy Purchase	46,065.75	48,544.13
<b>Total</b>	<b>46,065.75</b>	<b>48,544.13</b>

36.1 Purchase of Energy (in Kwh) 1499018526 1443317354

36.2 In respect of the Company Refer note 44.2 for claim by one of the input energy supplier for arrear charges and increase in tariff rate.

36.3 In respect of India Power Corporation (Bodhgaya) Limited, a subsidiary of the Company purchase of energy is net of tariff adjustment applicable to billing period as computed in terms of DFA. Any variation in this respect on availability of audited figures will be given effect to as and when ascertained.

## 37// LEASE RENT

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Lease Rent of Wind Mill	46.1	4,767.43	5,480.18
<b>Total</b>		<b>4,767.43</b>	<b>5,480.18</b>

## 38// EMPLOYEE BENEFITS EXPENSE

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries and Wages	38.1	4,223.30	3,949.49
Contributions to Provident and other funds		436.47	475.31
Staff Welfare expenses		184.79	225.63
<b>Total</b>		<b>4,844.56</b>	<b>4,650.43</b>

	(₹ in lakhs)	
38.1 (i) Exclude amounts incurred for work for consumers and capital jobs	41.29	54.30
(ii) Include Voluntary Retirement Compensation Paid	-	97.97

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 39// FINANCE COSTS

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Interest (net)	39.1	6,685.65	4,593.61
Other Borrowing Costs		651.22	450.39
<b>Total</b>		<b>7,336.87</b>	<b>5,044.00</b>

39.1 Interest of ₹ 6,354.03 lakhs (previous year ₹ 5,276.24 lakhs) pertaining to project undertaken by IPC(H)L being claimed as recoverable as cost thereto, has been netted off.

## 40// DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation	6	1,692.96	1,790.27
Less: Capitalisation as preoperative expenses		-	88.49
Net Depreciation		1,692.96	1,701.78
Amortisation	7	335.29	257.48
Less: Capitalisation as preoperative expenses		-	21.95
Net Amortisation		335.29	235.53
<b>Total</b>		<b>2,028.25</b>	<b>1,937.31</b>

## 41// OTHER EXPENSES

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Consumption of Stores and Spare parts		158.84	174.71
Repairs			
Buildings	83.88		94.66
Machinery	679.74		622.60
Transformer	128.71		96.47
Office	11.82		14.53
Transmission and Distribution network	130.96		64.13
Others	301.57	1336.68	159.02
Raw water charges		0.37	1.54
Coal and Ash handling charges		116.84	115.58
Loss on discard/sale of Fixed Assets (Net)		-	5.07
Loss on sale of Investment		-	-
Rent		18.41	19.69

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 41// OTHER EXPENSES (CONTD.)

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
Rates and Taxes		48.41	43.46
Insurance		64.38	49.82
Auditors' Remuneration (excluding service tax)			
Audit Fees		16.31	13.96
Tax Audit Fees		0.50	0.90
For Certification		20.05	10.80
		36.86	25.66
Loss on Foreign Exchange Fluctuation		59.45	-
Directors' Fees (inclusive of service tax of ₹ 3.54 lakhs, previous year ₹ 1.83 lakhs)		27.27	17.09
Commission to Directors (inclusive of service tax of ₹ 9.24 lakhs, previous year ₹ 5.53 lakhs)		70.71	50.28
Bill Distribution and Collection expenses		326.21	-
Construction Cost		1,090.33	984.52
Allowance for bad and doubtful Debts (net)	13.5	17.99	66.64
Miscellaneous Expense	41.1	1,539.89	1,529.68
<b>Total</b>		<b>4,912.64</b>	<b>4,135.15</b>

41.1 Includes ₹ 63.88 lakhs (previous year ₹ 32.36 lakhs), expenditure incurred towards Corporate Social Responsibility.

42// Exceptional items of ₹ 4,673.56 lakhs is on account of receipt of ₹ 26,734 lakhs for completion of acquisition of shares of Meenakshi Energy Limited (a subsidiary company) and expenses on account of waiver of ₹ 862 lakhs against Late payment surcharge receivable from Rajasthan Discom, ₹ 11,630.27 lakhs of interest receivable from IPC(H)L and ₹ 9,568.17 lakhs regulatory accruals, being no longer recoverable. The above items being material and unrelated to normal operations have been categorised and disclosed as exceptional items.

## 43// TAXES

(a) The major components of income tax expense for the year are as under:

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax		
- Current year	1,687.87	795.52
- Earlier year	(0.09)	0.20
Deferred tax	633.96	95.42
<b>Total Income tax expenses recognised in Consolidated statement of profit and loss</b>	<b>2,321.74</b>	<b>891.14</b>
(ii) Income tax expense recognised in OCI		
Deferred tax expense on remeasurement of defined benefit plans	33.07	29.23
<b>Income tax expense recognised in OCI</b>	<b>33.07</b>	<b>29.23</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (b) Reconciliation of tax expense

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
Profit before tax	6,196.07	4,655.04
As per Statutory Income tax rate	2,144.34	1,611.02
Less: Exemptions/Deductions		
Dividend	(2.60)	(1.91)
Investment allowance @ 15%	-	(283.32)
Add: Non Deductible expenses for tax purpose		
CSR Expenditure	22.11	11.20
Add/(less) Others	157.99	(446.04)
Add/(less) Previous year tax adjustments	(0.09)	0.20
<b>At effective income tax rate</b>	<b>2,321.74</b>	<b>891.14</b>
<b>Income tax expense reported in the Consolidated statement of profit and loss</b>	<b>2,321.74</b>	<b>891.14</b>

## 44// (a) Contingent liabilities and commitments

(to the extent not provided for)

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>44.1 Contingent Liabilities</b>				
a) Demand from Sales tax authorities against which Company's appeal is pending		8.86	8.86	8.86
b) Demand from Service tax authorities against which Company's appeal is pending		21.49	21.49	-
Others				
c) Performance Bank Guarantee	44.4	1,329.00	1,329.00	1,329.00
d) Standby letter of Credit	44.4	934.00	934.00	934.00
e) Unexpired Letter of Credit for purchase of power		1,224.86	31,504.13	410.00
f) Corporate Guarantee	44.5	2,000.00	2,000.00	-
g) Bank Guarantee	44.6	4,523.40	-	-
Bank Guarantee	44.7	1,100.00	-	-
Bank Guarantee	44.8	48.00	-	-
Bank Guarantee - In respect of India Power Corporation (Haldia) Limited, a subsidiary of Company		-	74.40	-
h) Corporate Guarantee	44.6	284,484.92	-	-
i) Claims against the Company (including unasserted claims) not acknowledged as debts		432.88	79.02	-
<b>44.2</b> Claim of ₹ 5,695.82 Lakhs and ₹ 2,611.57 lakhs by one of the Input Energy Supplier for arrear charges and increase in tariff rate against energy purchased in earlier years and current year respectively for which review petition of input supplier is pending before Tribunal. Such charges in the event of being held to be payable are recoverable from customers and as such it does not have any material impact on the working results of the Company.				

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 44// (a) Contingent liabilities and commitments (Contd.) (to the extent not provided for)

Particulars	Note No.	(₹ in lakhs)		
		31st March, 2017	31st March, 2016	1st April, 2015
<b>44.3</b> The Company's pending litigations comprises of claim against the Company and proceedings pending with tax/ statutory/ Government Authorities. The Company has reviewed all its pending litigation and proceedings and has made adequate provisions, and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of 44.1 (a) and (b) above are determinable only on receipt of judgement/ decisions pending with various forums/ authorities.				
<b>44.4</b> Given in terms of Distribution Franchise Agreement (DFA) for Distribution of electricity which is being carried on by India Power Corporation (Bodhgaya) Ltd.				
<b>44.5</b> Given to Bank for credit facility availed by 100 % wholly owned Subsidiary India Power Corporation (Bodhgaya) Ltd.				
<b>44.6</b> Given to bank for Credit facility availed by Meenakshi Energy Limited, a subsidiary				
<b>44.7</b> Given on behalf of India Power Corporation (Haldia) Limited, an associate for standby power purchase				
<b>44.8</b> Given on behalf of IPCL Power Trading Private Limited, a subsidiary for power supply to TS Discoms.				
<b>44(b) Commitment</b>				
<b>For the Company</b>				
<b>44(b)(i)</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 33.43 lakhs , ₹ 49.42 lakhs as on 31.03.2016 and ₹ 163.55 lakhs as on 01.04.2015)		966.20	232.00	286.55
<b>For Subsidiaries</b>				
<b>44(b)(ii)</b> Capital commitments (for property, plant and equipment's and investment properties)		270.95	57,112.95	-

**44(c)** Corporate guarantees given in 44.1 (f) and (h) above are in the nature of insurance contract.

**45//** Capital work in progress including contributory jobs includes cost of mains and equipments and other civil and construction cost etc amounting to ₹ 1,458.90 lakhs (₹ 178,988.68 lakhs as on 31.03.2016 and ₹ 107,228.90 lakhs as on 01.04.2015) for ongoing projects and pre-operative expenses as detailed below. These are allocated to respective assets on capitalisation.

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Brought forward from Previous year	60,845.49	40,581.47	40,581.47
Interest expense	-	17,874.24	-
Other borrowing costs	-	639.89	-
Salaries and wages	43.83	1,607.94	-

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Rent	-	7.88	-
Rates and taxes	-	1.68	-
Professional, Consultancy and Legal Expenses	60.82	522.02	-
Miscellaneous	23.23	1,108.10	-
	60,973.37	62,343.22	40,581.47
Less: Allocated to fixed assets/project abandoned	60,880.75	1,497.73	-
<b>Carried forward</b>	<b>92.62</b>	<b>60,845.49</b>	<b>40,581.47</b>

## 46// In the Capacity of Lessee

The Company has taken certain premises and wind turbine generator on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

India Power Corporation (Bodhgaya) Limited, a subsidiary of the Company has made certain arrangements for official accommodation obtained on operating lease. There is no contingent rent in the lease agreement. The lease period is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no sublease and are cancellable in nature. The Lease Rentals are charged as rent in the Financial statements.

**46.1** The Company has taken certain plant and machinery on an operational lease basis. The Company is scheduled to pay lease rentals as follows:

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
(i) Not later than one year	5,124.31	6,172.14	6,186.50
(ii) Later than one year and not later than 5 years	20,497.24	23,192.10	24,963.93
(iii) Later than 5 years	9,823.29	8,879.28	13,279.59

**46.2** The Company has taken certain land on Finance Lease. Carrying value of land taken on lease is ₹ 1,402.18 lakhs (previous year ₹ 1,331.00 lakhs). The Company is scheduled to pay lease rental as follows:

Particulars	31st March, 2017	(₹ in lakhs)				
		Present Value of MLP	31st March, 2016	Present Value of MLP	1st April, 2015	Present Value of MLP
(i) Not later than one year	2.73	-	2.51	-	2.51	-
(ii) Later than one year and not later than 5 years	10.94	0.02	10.03	0.02	10.03	0.02
(iii) Later than 5 years	165.07	20.68	146.20	20.68	148.70	20.69

**46.3** The Company has not made any sublease arrangement with other parties.

**46.4** The Company has recognised an amount of ₹ 4,767.43 lakhs (previous year ₹ 5,480.18 lakhs) towards lease rent (note 37) and ₹ 18.41 lakhs (previous year ₹ 19.69 lakhs) for rent of premises (note 41) for the year.

**46.5** Significant features of aforesaid lease arrangements are as follows:

i) The Company will pay the fixed lease rent over the lease period. There is no contingent lease rent except for wind mills where in lease rent is contingent on revenue receipt.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- ii) Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.
- iii) There are no restrictions imposed on the Company by the existing lease agreements.

## 46.6 In the Capacity of Lessor

Further, the Company also has certain non-cancellable operating lease arrangements for office premises, which covers for a period of 5 years and are usually renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease earning for the year aggregating to ₹ 13.35 lakhs (Previous year ₹ 12.78 lakhs) have been recognised in the Statement of Profit and Loss.

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
(i) Not later than one year	13.59	13.15	8.70
(ii) Later than one year and not later than 5 years	10.97	22.42	17.40
(iii) Later than 5 years	-	-	-

## 47// RELATED PARTY DISCLOSURES

Related parties have been identified in terms of Ind As 24 on "Related Party Disclosure" as listed below:

Name of the Related Party	Relationship
Matsya Shipping and Ports Pvt. Ltd.	Wholly owned Subsidiary w.e.f. 19th February 2016 and Joint Venture w.e.f. 27th March 2017
Meenakshi Energy Limited	Subsidiary w.e.f. 30th September 2016
India Power Corporation (Haldia) Limited	Subsidiary upto 30th March 2017 and Associate w.e.f. 31st March, 2017
India Uniper Power Services Pvt Ltd	Subsidiary from 2nd August 2016 to 5th January 2017 and Joint Venture w.e.f. 6th January 2017
Key Management Personnel	Relationship
Mr. Hemant Kanoria	Chairman & Non Executive Director
Mr. Sunil Kanoria	Non - Executive Director
Mr. Jyoti Kumar Poddar	Non - Executive Director
Mr. Nand Gopal Khaitan	Independent Director
Mr. Amit Kiran Deb	Independent Director
Mr. Debi Prasad Patra	Independent Director
Mr. Tantra Narayan Thakur	Independent Director
Mr. S. Sundaraeshan	Independent Director
Ms. Dipali Khanna	Independent Director
Mr. Asok Kumar Goswami	Whole time Director
Mr. Shirang Karandikar	Chief executive officer
Mr. Laxmi Narayan Mandhana	Chief Financial officer up to 18th July 2016
Mr. Sushil Kr. Agarwal	Chief Financial officer (from 6th December 2016)
Mr. Nitin Bagaria	Company Secretary (up to 13th August 2015)
Mr. Prashant Kapoor	Company Secretary (from 14th August 2015)
Mr. Raghav Raj Kanoria	Whole time Director of Subsidiary India Power Corporation (Bodhgaya) Limited (from 1st October, 2015)
Mr. Jyoti Kumar Poddar	Director of subsidiary India Power Corporation (Haldia) Limited (upto 30th March, 2017)

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Mr. Jyotirmay Bhaumik	Whole-time director of subsidiary India Power Corporation (Haldia) Limited (upto 30th March, 2017)
Mr. Laxmi Narayan Mandhana	Chief Financial Officer (upto 18th July, 2016) of subsidiary India Power Corporation (Haldia) Limited (upto 30th March, 2017)
Mr. Purushottam Kejriwal	Chief Financial Officer (w.e.f 23rd Dec, 2016) of subsidiary India Power Corporation (Haldia) Limited (upto 30th March, 2017)
Ms. Preeti Gupta	Company Secretary (upto 11th Dec, 2015) of subsidiary India Power Corporation (Haldia) Limited (upto 30th March, 2017)
Ms. Barkha Bachhuka	Company Secretary (w.e.f 11th January, 2016) of subsidiary India Power Corporation (Haldia) Limited (upto 30th March, 2017)
Ms. Shreya Arora	Company Secretary (w.e.f. 11th January, 2016) of subsidiary IPCL Power Trading Private Limited
Mr. Kamal Kishor Sewoda	Company Secretary (w.e.f. 31st December 2015) of subsidiary IPCL Power Trading Private Limited

## 47.1 Balances outstanding of Subsidiaries, Joint Ventures and Associate

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
<b>Outstanding Balance</b>			
<b>Loans Given</b>			
Matsya Shipping & Ports Pvt. Limited	5.00	-	-
Meenakshi Energy Ltd.	6,364.00	-	-
<b>Investments</b>			
<b>Equity</b>			
Matsya Shipping and Ports Pvt. Ltd.	0.50	1.00	-
India Uniper Power Services Pvt Ltd.	352.50	-	-
Meenakshi Energy Ltd.	0.01	-	-
<b>Compulsorily Convertible Preference Shares</b>			
India Power Corporation (Haldia) Limited	30,682.70	-	-
<b>Bank Guarantee Outstanding</b>			
Meenakshi Energy Limited	4,523.40	-	-
India Power Corporation (Haldia) Limited	1,100.00	-	-
<b>Corporate Guarantee Outstanding</b>			
Meenakshi Energy Limited	284,484.92	-	-

## 47.2 Details of Related party transactions during the year

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
<b>Transaction during the year</b>		
<b>Loan given during the year</b>		
Matsya Shipping & Ports Pvt. Ltd.	5.00	-
India Uniper Power Services Pvt Ltd.	40.00	-
Meenakshi Energy Ltd.	6,364.00	-
<b>Loan Repaid During the year</b>		
India Uniper Power Services Pvt Ltd.	40.00	-

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 47.2 Details of Related party transactions during the year (Contd.)

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
<b>Advance Given</b>		
India Uniper Power Services Pvt. Ltd.	30.00	-
Matsya Shipping & Ports Pvt. Limited	3.00	-
Meenakshi Energy Limited	35.59	-
<b>Advance Repaid</b>		
India Uniper Power Services Pvt. Ltd.	30.00	-
Matsya Shipping & Ports Pvt. Limited	3.00	-
<b>Investment During the year</b>		
India Uniper Power Services Pvt. Ltd.	352.50	-
Meenakshi Energy Ltd.	0.01	-
Transaction during the year		
<b>Interest Income</b>		
Meenakshi Energy Ltd.	79.29	-
<b>Advance Given</b>		
Meenakshi Energy Ltd.	35.59	-

## 47.3 Details of transactions with Key Management Personnel during the year

Particulars	Year ended	
	31st March, 2017	31st March, 2016
<b>Remuneration to Key Management Personnel of the Company</b>		
Short term employee benefits	205.12	278.47
Post employment benefit	1.18	1.52
Long term employment benefit	6.27	5.47
Termination benefit	10.26	9.21
<b>Director sitting fee</b>	23.73	15.26
<b>Director commission</b>	61.47	44.75

## 48// EARNING PER SHARE

Particulars	Earning Per share Excluding Regulatory income/(expense)		Earning Per share Including Regulatory income/(expense)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Particulars				
Profit after tax (₹ in lakhs)	6,086.51	1,137.85	3,729.35	3,456.96
Number of Equity Shares	973789640	973789640	973789640	973789640
Number of equity Shares in Share Capital Suspend Account (Note 5.1)	604143449	604143449	604143449	604143449
Total Number of Shares	1577933089	1577933089	1577933089	1577933089
Earning per share (Basic and Diluted) (₹)	0.39	0.07	0.24	0.22
Face Value per equity share (₹)	1	1	1	1

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 49// EMPLOYEE BENEFITS

### In respect of the Company

#### Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India (LICI), make payments to vested employees on their cessation of employment, death or incapacitation of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of ₹ 10.00 lakhs. Vesting occurs upon completion of five years of service.

The weighted average duration of the defined benefit obligation for the Company as at March 31, 2017 is 6.65 years (March 31, 2016 is 7.76 years).

#### Post Retirement Obligation - Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LIC. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

The weighted average duration of the defined benefit obligation for the Company as at March 31, 2017 is 1.83 years (March 31, 2016 is 2.75 years).

### Post Retirement Obligation - Lump sum payment in lieu of Pension (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

### In respect of subsidiaries

#### Gratuity (Unfunded)

The Company provides for gratuity for the employees in India as per the 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 employee 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 for India Power Corporation (Bodhgaya) Limited (subsidiary of the Company) as at March 31, 2017 is 9.35 years (March 31, 2016 is 9.51 years).

The weighted average duration of the defined benefit obligation for IPCL Power Trading Private Limited (subsidiary of the Company) as at March 31, 2017 is 23.23 years (March 31, 2016 is 18.10 years).

The weighted average duration of the defined benefit obligation for India Power Corporation (Haldia) Limited (subsidiary of the Company upto March 30, 2017) as at March 31, 2016 is 11 years.

## 49.1 Employee Benefit Obligation

Particulars	(₹ in lakhs)					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity (funded)	1,242.13	-	1,254.98	-	1,070.84	-
Gratuity (unfunded)	0.57	58.51	0.47	46.29	0.18	1.39
Superannuation (funded)	13.03	-	(4.57)	-	50.50	-
Pension	5.07	33.85	6.62	35.23	5.91	37.76
Leave Obligations	0.21	26.20	0.18	21.57	0.03	2.42
<b>Total</b>	<b>1,261.02</b>	<b>118.56</b>	<b>1,257.68</b>	<b>103.09</b>	<b>1,127.46</b>	<b>41.57</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 49.2 Reconciliation of opening and closing balances of the present value of defined benefit obligations

(₹ in lakhs)

Particulars	Funded					
	As at 31st March, 2017	Gratuity		As at 31st March, 2017	Superannuation Fund	
		As at 31st March, 2016	As at 1st April, 2015		As at 31st March, 2016	As at 1st April, 2015
Opening balance	1,305.43	1,300.63	1,260.48	15.51	71.29	58.24
Current Service Cost	62.88	60.14	63.11	-	-	2.25
Interest Cost	93.59	93.71	105.03	1.13	3.21	5.10
Plan Amendments						
Actuarial loss/(gain)	48.35	43.33	109.64	4.27	2.02	5.70
Benefits paid	(198.64)	(192.38)	(237.63)	-	(61.01)	-
Closing balance	1,311.61	1,305.43	1,300.63	20.91	15.51	71.29

(₹ in lakhs)

Particulars	Unfunded					
	As at 31st March, 2017	Gratuity		As at 31st March, 2017	Lump sum payment in lieu of Pension	
		As at 31st March, 2016	As at 1st April, 2015		As at 31st March, 2016	As at 1st April, 2015
Opening balance	46.76	1.57	1.17	41.85	43.67	43.01
Current Service Cost	6.56	4.87	1.15	1.32	1.42	1.46
Past Service Cost	-	0.29	-	-	-	-
Interest Cost	3.63	0.12	0.11	3.00	3.04	3.72
Plan Amendments						
Actuarial loss/(gain)	2.14	39.91	(0.86)	(0.65)	2.97	0.58
Benefits paid	-	-	-	(6.60)	(9.25)	(5.10)
Closing balance	59.08	46.76	1.57	38.92	41.85	43.67

## 49.3 Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in lakhs)

Particulars	Superannuation Fund					
	As at 31st March, 2017	Gratuity		As at 31st March, 2017	Superannuation Fund	
		As at 31st March, 2016	As at 1st April, 2015		As at 31st March, 2016	As at 1st April, 2015
Opening balance	50.45	229.80	445.1	20.08	20.79	18.06
Expected return on Plan Assets	20.36	10.39	28.55	1.46	1.57	1.59
Actuarial gain/(loss)	(27.85)	2.64	(6.22)	(13.66)	(0.65)	0.83
Contribution	225.16	-	-	-	59.38	0.31
Benefits paid	(198.64)	(192.38)	(237.63)	-	(61.01)	-
Closing balance	69.48	50.45	229.80	7.88	20.08	20.79

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 49.4 Amount recognised in Balance Sheet

(₹ in lakhs)

Particulars	Funded					
	Gratuity			Superannuation Fund		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Present value of obligation	(1,311.61)	(1,305.43)	(1,300.63)	(20.91)	(15.51)	(71.29)
Fair Value of Plan Assets	69.48	50.45	229.80	7.87	20.08	20.79
Net Asset/(Liability)	(1,242.13)	(1,254.98)	(1,070.83)	(13.04)	4.57	(50.50)

(₹ in lakhs)

Particulars	Unfunded					
	Gratuity			Lump sum payment in lieu of Pension		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Present value of obligation	59.08	46.76	1.57	(38.92)	(41.85)	(43.67)
Fair Value of Plan Assets	-	-	-	-	-	-
Net Asset/(Liability)	59.08	46.76	1.57	(38.92)	(41.85)	(43.67)

## 49.5 Amount recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Superannuation Fund		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Current service cost	62.88	60.14	6.56	4.87	-	-	1.32	1.42
Past service cost	-	-	-	0.29	-	-	-	-
Interest cost	93.60	93.71	3.63	0.12	(0.33)	3.21	2.99	3.04
Expected return on Plan Assets	(29.60)	(10.39)	-	-	-	(1.57)	-	-
Recognised in Profit and Loss Account	126.88	143.46	10.19	5.28	(0.33)	1.64	4.31	4.46
Under	Contribution to Provident and Other Funds						Salaries, Wages and Bonus	

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 49.6 Amount recognised in the statement of Other Comprehensive Income

Particulars	(₹ in lakhs)			
	Gratuity		Superannuation Fund	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Net Cumulative unrecognised actuarial (gain)/loss opening	388.94	348.25	72.79	70.12
Experience adjustments on Plan Assets (gain)/loss	27.85	(2.64)	13.66	0.65
Actuarial (gain)/loss for the year	48.35	43.33	4.28	2.02
Unrecognised actuarial (gain)/loss at the end of the year	465.14	388.94	90.73	72.79

Particulars	(₹ in lakhs)			
	Gratuity (Unfunded)		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Net Cumulative unrecognised actuarial (gain)/loss opening	-	-	12.46	9.49
Experience adjustments on Plan Assets (gain)/loss	(2.57)	(39.91)	-	-
Actuarial (gain)/loss for the year	-	-	0.65	2.97
Unrecognised actuarial (gain)/loss at the end of the year	(2.57)	(39.91)	13.11	12.46

## 49.7 Experience adjustment on Plan Liabilities and Assets

Particulars	(₹ in lakhs)								
	Gratuity			Superannuation Fund			Lump sum payment in lieu of pension		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Defined benefit obligations	1,311.61	1,305.43	1,300.63	20.91	15.51	71.29	38.92	41.85	43.67
Plan Assets	69.49	50.45	229.80	7.88	20.08	20.79	-	-	-
Surplus/(Deficit)	(1,242.12)	(1,254.98)	(1,070.83)	(13.03)	4.57	(50.50)	(38.92)	(41.85)	(43.67)
Experience adjustments on Plan Liabilities (gains)/loss	(3.42)	41.78	39.05	1.31	1.77	5.19	(1.86)	2.93	(2.01)
Experience adjustments on Plan Assets (gains)/loss	27.85	(2.64)	6.22	13.66	0.65	(0.83)	-	-	-
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	51.77	1.55	70.59	2.96	0.25	0.51	(1.22)	0.04	2.59

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 49.8 Breakup of Actuarial gain/loss:

(₹ in lakhs)

Description	Gratuity		Superannuation Fund		Lump sum payment in lieu of pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	51.77	1.55	2.96	0.25	1.22	0.04
Actuarial (gain)/loss on arising from experience adjustment	(3.42)	41.78	1.31	1.77	(1.86)	2.93
<b>Total</b>	<b>48.35</b>	<b>43.33</b>	<b>4.27</b>	<b>2.02</b>	<b>(0.64)</b>	<b>2.97</b>

(₹ in lakhs)

Description	Gratuity (unfunded)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	2.78	(1.92)
Actuarial (gain)/loss arising from experience adjustment	(0.64)	41.83

## 49.9 Sensitivity analysis

(₹ in lakhs)

Description	Gratuity		Superannuation Fund		Lump sum payment in lieu of pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Impact of the change in discount rate</b>						
-increase of 1%	112.39	98.22	-	-	1.25	1.34
-decrease of 1%	133.04	116.94	-	-	1.41	1.51
<b>Impact of the change in salary increase</b>						
-increase of 1%	132.67	116.49	-	-	-	-
-decrease of 1%	112.57	98.51	-	-	-	-
<b>Impact of change in withdrawal rate</b>						
-increase of 50%	121.81	106.63	-	-	1.33	1.42
-decrease of 50%	121.22	105.92	-	-	1.33	1.42
<b>Impact of change in Mortality rate</b>						
-increase of 10%	121.66	106.43	-	-	1.33	1.42
-decrease of 10%	121.38	106.12	-	-	1.32	1.42

Gratuity fund is maintained with LIC and HDFC and Superannuation fund is maintained with LIC.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 49.10 Principal Actuarial Assumptions used for estimating the Company's Defined benefit obligations are set out below:

Particulars	(₹ in lakhs)					
	Gratuity		Superannuation Fund		Lump sum payment in lieu of pension	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Discount Rate	6.93	7.76	6.26	7.26	7.12	7.76
Expected Rate of Increase in Salary	3.50	3.50	3.50	3.50	-	-
Expected Rate of Return of Plan Assets	6.93	7.76	6.26	7.26	-	-
Mortality Rate	IALM* (2006-08) ultimate	IALM* (2006-08) ultimate				

\*IALM - Indian Assured Lives Mortality

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Principal Actuarial Assumptions used for estimating defined benefit obligations for one of the Company's Subsidiaries India Power Corporation (Bodhgaya) Limited are set out below:

Particulars	(₹ in lakhs)	
	Gratuity	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Discount Rate	7.18	7.76
Expected Rate of Increase in Salary	3.50	3.50

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Principal Actuarial Assumptions used for estimating defined benefit obligations for one of the Company's Subsidiaries IPCL Power Trading Private Limited are set out below:

Particulars	(₹ in lakhs)	
	Gratuity	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Discount Rate	7.38	7.90
Expected Rate of Increase in Salary	3.50	10.00

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- 49.11** The contribution to the defined benefit plans expected to be made by the Company during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.
- 50//** During the year ₹ 252.03 lakhs has been recognised as expenditure towards Defined Contribution Plans of the Company (previous year ₹ 272.26 lakhs).
- 51//** The business of the Company falls within a single primary segment viz, "Generation and Distribution of Power in India" and hence segment information in terms of Indian Accounting Standard (Ind AS) 108 "Operating Segments" is not required.
- 52// DISCLOSURE PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS"**

## Summarised description of the acquisition

On February 23, 2017 the India Power Green Utility Pvt. Ltd. (wholly owned subsidiary of the Company) acquired 49% of the issued share capital and a call option to buy remaining 51% share at the future fixed price of ₹ 5,100 of PL Solar Renewable Limited, a company engaged in generation, transmission, distribution and management of solar power.

On February 23, 2017 the India Power Green Utility Pvt. Ltd. (wholly owned subsidiary of the Company) acquired 49% of the issued share capital and a call option to buy remaining 51% share at the future fixed price of ₹ 5,100 of PL Sunrays Power Limited, a company engaged in generation, transmission, distribution and management of solar power.

Details of the purchase consideration, the net assets acquired and capital reserve are as follows:

Purchase Consideration	(₹ in lakhs)	
	PL Solar Renewable Ltd.	PL Sunrays Power Ltd.
Cash paid	76.48	50.43
Equity shares issued	-	-
Contingent consideration	-	-
<b>Total Purchase Consideration</b>	<b>76.48</b>	<b>50.43</b>

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	(₹ in lakhs)	
	PL Solar Renewable Ltd.	PL Sunrays Power Ltd.
Intangibles Recognised	341.03	348.42
Net Deposits and Prepaid	39.34	38.17
Long Term Borrowings	(185.27)	(206.14)
Prepaid Expenses	9.01	7.88
Advance Lease Rentals	2.76	-
<b>Net Identifiable Assets acquired</b>	<b>206.87</b>	<b>188.33</b>

Calculation of Goodwill/Capital Reserve	(₹ in lakhs)	
	PL Solar Renewable Ltd.	PL Sunrays Power Ltd.
Consideration transferred	76.48	50.43
Less: Net identifiable assets acquired	(206.87)	(188.33)
<b>Goodwill/(Capital Reserves)</b>	<b>(130.39)</b>	<b>(137.90)</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## Purchase Consideration - Cash Outflow

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Outflow of Cash to acquire subsidiaries		
Cash Consideration	(76.48)	(50.43)
Less: Balance acquired in Cash	-	-
<b>Net outflow of cash - Investing activities</b>	<b>(76.48)</b>	<b>(50.43)</b>

## 53// FINANCIAL INSTRUMENT - (FINANCIAL ASSETS AND FINANCIAL LIABILITIES)

### 53.1 Categories of Financial Instruments

Details with respect to financial assets and financial liabilities are as follows:

Particulars	(₹ in lakhs)								
	31st March, 2017			31st March, 2016			1st April, 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>									
Investments									
- Equity Investments	-	279.55	-	-	327.53	-	-	161.32	-
- Bonds and Debentures	-	2.50	209.05	-	2.50	249.98	-	2.50	288.18
- Mutual Funds	172.47	-	-	146.13	-	-	142.21	-	-
- Government Securities	-	-	2.92	-	-	2.92	-	-	2.92
Trade Receivables	-	-	17,629.12	-	-	13,171.82	-	-	10,036.40
Loans	-	-	7,418.24	-	-	1,321.62	-	-	159.23
Cash and Cash Equivalents	-	-	1,259.76	-	-	4,653.62	-	-	5,839.50
Fixed Deposit	-	-	6,635.52	-	-	1,075.19	-	-	1,373.26
Beneficial Interest in Power Trust	-	81,878.04	-	-	81,900.83	-	-	81,902.66	-
Receivable Others	-	-	25,860.02	-	-	1,443.57	-	-	1,124.09
Accrued Interest	-	-	328.97	-	-	700.64	-	-	131.17
<b>Total Financial Assets</b>	<b>172.47</b>	<b>82,160.09</b>	<b>59,343.60</b>	<b>146.13</b>	<b>82,230.86</b>	<b>22,619.36</b>	<b>142.21</b>	<b>82,066.48</b>	<b>18,954.75</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	67,003.55	-	-	246,008.53	-	-	157,005.15
Trade Payables	-	-	20,750.15	-	-	12,010.01	-	-	10,322.61
Consumer Advances	-	-	2,424.21	-	-	2,162.73	-	-	2,305.46
Others	-	-	15,072.98	-	-	35,603.29	-	-	26,210.20
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>105,250.89</b>	<b>-</b>	<b>-</b>	<b>295,784.56</b>	<b>-</b>	<b>-</b>	<b>195,843.42</b>

### 53.2 Fair Value Hierarchy

The Group categorises assets and liabilities measured at fair value into one of the three levels depending on the ability to observe inputs employed in their measurements.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

The following table presents fair value hierarchy of assets and liabilities measured at fair value on recurring basis.

(a) Financial Assets and Liabilities measured at Fair Value

					(₹ in lakhs)
At 31 March, 2017	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	31-03-2017	172.47	-	-	172.47
<b>Financial Investment at FVTOCI</b>					
Listed Equity Investment	31-03-2017	279.55	-	-	279.55
Unquoted Equity Investment	31-03-2017	-	-	37.34	37.34
Bonds and debentures	31-03-2017	-	-	2.50	2.50
Beneficial Interest in Power Trust	31-03-2017	-	-	81,878.04	81,878.04
<b>Total Financial Assets</b>		<b>452.02</b>	<b>-</b>	<b>81,917.88</b>	<b>82,369.90</b>

					(₹ in lakhs)
At 31st March, 2016	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	31-03-2016	146.13	-	-	146.13
<b>Financial Investment at FVTOCI</b>					
Listed Equity Investment	31-03-2016	263.50	-	-	263.50
Unquoted Equity Investment	31-03-2016	-	25.80	38.23	64.03
Bonds and debentures	31-03-2016	-	-	2.50	2.50
Beneficial Interest in Power Trust	31-03-2016	-	-	81,900.83	81,900.83
<b>Total Financial Assets</b>		<b>409.63</b>	<b>25.80</b>	<b>81,941.56</b>	<b>82,376.99</b>

					(₹ in lakhs)
At 1st April, 2015	Date of Valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investment at FVTPL</b>					
Mutual Funds	31-03-2015	142.21	-	-	142.21
<b>Financial Investment at FVTOCI</b>					
Listed Equity Investment	31-03-2015	133.02	-	-	133.02
Unquoted Equity Investment	31-03-2015	-	25.80	0.05	25.85
Bonds and debentures	31-03-2015	-	-	2.50	2.50
Beneficial Interest in Power Trust	31-03-2015	-	-	81,902.66	81,902.66
<b>Total Financial Assets</b>		<b>275.23</b>	<b>25.80</b>	<b>81,905.21</b>	<b>82,206.24</b>

During the year ended March 31, 2017 and March 31, 2016 there were no transfer between level 1, level 2 and level 3 fair value measurement.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (b) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- i) The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised cost in the financial statements approximates their fair values.
- ii) Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value of such long-term debt approximates fair value subject to adjustments made for transaction cost.
- iii) Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.
- iv) Valuation of Beneficial Interest in Power Trust has been arrived by adopting Discounted Free Cash Flow method (DCF) and Profit Earning capacity value method (PECV) with respect to investment held by them. Due weightage has been given by the valuer to the methods adopted. The DCF method estimates the cash flows for each financial period included in the period for projections and discounts this to its present value at an appropriate weighted average cost of capital (WACC). Under PECV method, the equity is valued by multiplying the future maintainable earnings by an appropriate Price/Earnings (P/E) multiple. The valuation is based on the assumptions and estimates considered appropriate by the valuer.
- v) Fair value for valuation of unquoted equity instruments is arrived at historical Net Asset Value (NAV) based on the financial statements of the respective companies.

## (c) Significant Unobservable Inputs used in Level 3 Fair Values

As at 31 March, 2017	Significant Unobservable Inputs	Sensitivity of input to fair value measurement
(i) Fair valuation of unquoted Equity instruments	Historical NAV	Increase in book value by 10% will have a positive impact of ₹ 3.73 lakhs
		Decrease in book value by 10% will have a negative impact of ₹ 3.73 lakhs
(ii) Fair valuation of Beneficial interest in Power Trust	Forecast Revenue	Increase in revenue by 10% will have a positive impact of ₹ 76,358 lakhs
		Decrease in revenue by 10% will have a negative impact of ₹ 80,143 lakhs
	Discount factor and P/E multiple	Increase in discount rate by 1% will have a positive impact of ₹ 17,458 lakhs
		Decrease in discount rate by 1% will have a negative impact of ₹ 15,500 lakhs

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 54// FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

(₹ in lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
<b>Investments</b>						
Equity Instrument	-	-	-	-	-	-
Bonds and Debentures	211.97	211.97	252.90	252.90	291.10	291.10
Trade Receivable	17,629.12	17,629.12	13,171.82	13,171.82	10,036.40	10,036.40
<b>Loans</b>						
Loan to related parties	6,369.00	6,369.00	-	-	-	-
Loan to Power Trust	-	-	1,270.00	1,270.00	-	-
Loans to employees	2.47	2.47	26.87	26.87	18.15	18.15
Loan to Others	622.34	622.34	1,374.28	1,374.28	130.11	130.11
Receivable Others	25,874.13	25,874.13	3.23	3.23	1,051.25	1,051.25
Cash & Cash Equivalent	1,259.76	1,259.76	4,653.62	4,653.62	5,839.50	5,839.50
Fixed Deposit	6,635.52	6,635.52	1,075.19	1,075.19	1,373.26	1,373.26
Security deposits	410.32	410.32	90.81	90.81	83.81	83.81
Accrued Interest	328.97	328.97	700.64	700.64	131.17	131.17
<b>Total financial assets</b>	<b>59,343.60</b>	<b>59,343.60</b>	<b>22,619.36</b>	<b>22,619.36</b>	<b>18,954.75</b>	<b>18,954.75</b>
<b>Financial liabilities</b>						
Borrowings	67,003.55	66,783.80	246,008.53	245,697.56	157,005.15	156,621.14
Trade Payable	20,750.15	20,750.15	12,010.01	12,010.01	10,322.61	10,322.61
Others	15,072.98	15,072.98	35,603.29	35,603.29	26,210.20	26,210.20
Consumer Advances	2,424.21	2,424.21	2,162.73	2,162.73	2,305.46	2,305.46
<b>Total financial liabilities</b>	<b>105,250.89</b>	<b>105,031.14</b>	<b>295,784.56</b>	<b>295,473.59</b>	<b>195,843.42</b>	<b>195,459.41</b>

## 55// FINANCIAL RISK MANAGEMENT

The Group's business activities are exposed to a variety of financial risks – credit risk, liquidity risk and market risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

### 55.1 Credit Risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables). The Group's exposure to credit risk is influenced mainly by the individual characteristic of each consumer and the concentration of risk from the top few consumers.

The Group extends credit to consumers in normal course of business as per Regulation issued by West Bengal Electricity Regulatory Commission for regulatory business and as per Power Purchase agreements entered with DISCOMs for non regulatory business. Consumer's outstanding balances are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivable as low as outstanding from non regulatory business is covered with PPA with government undertakings and in case of regulated business outstanding are as governed

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

by rate regulated body of the state government and customers can not shift to other distribution licensee without clearing dues and obtaining "No objection certificate" from the Group. The Group has also taken advances and security deposit from its consumers, to mitigate the credit risk to an extent.

Credit risk pertaining to regulatory receivables have been dealt with in note no. 19.1.

## 55.2 Liquidity Risk

The Group objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Group relies on borrowing and internal accruals to meet its need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs.

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

Particulars	(₹ in lakhs)			
	Upto 6 months	6 to 12 months	Above 12 months	Total
<b>As at 31st March, 2017</b>				
Interest bearing borrowings (including current maturity)				
- Principal	12,691.09	3,549.35	54,175.67	70,416.11
- Interest	2,620.12	2,395.29	23,144.84	28,160.25
Finance lease obligations	2.73	-	176.01	178.74
Trade and other payables	11,787.64	5,257.79	3,759.71	20,805.14
Other financial liabilities	4,880.81	1,016.19	7,268.50	13,165.50
<b>Total</b>	<b>31,982.39</b>	<b>12,218.62</b>	<b>88,524.73</b>	<b>132,725.74</b>
<b>As at 31st March, 2016</b>				
Interest bearing borrowings (including current maturity)				
- Principal	14,396.42	25,796.58	212,724.62	252,917.62
- Interest	4,609.92	3,297.43	28,081.00	35,988.35
Finance lease obligations	2.51	-	156.22	158.73
Trade and other payables	9,104.39	6,773.25	7,918.86	23,796.50
Other financial liabilities	2,733.71	1,088.21	15,515.73	19,337.65
<b>Total</b>	<b>30,846.95</b>	<b>36,955.48</b>	<b>264,396.43</b>	<b>332,198.85</b>
<b>As at 1st April, 2015</b>				
Interest bearing borrowings (including current maturity)				
- Principal	14,169.98	1,374.13	145,837.33	161,381.44
- Interest	2,870.48	2,141.86	10,694.02	15,706.36
Finance lease obligations	2.51	-	158.73	161.24
Trade and other payables	7,827.08	3,511.55	6,201.24	17,539.87
Other financial liabilities	2,295.24	641.40	4,880.73	7,817.37
<b>Total</b>	<b>27,165.29</b>	<b>7,668.94</b>	<b>167,772.05</b>	<b>202,606.28</b>

## Unused Lines of Credit

Particulars	(₹ in lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured	26,997.24	34,173.93	12,310.26
Unsecured	2,975.00	2,522.00	-
<b>Total</b>	<b>29,972.24</b>	<b>36,695.93</b>	<b>12,310.26</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

In terms of loan agreement the Group is required to fulfill specified covenants including more relating to maintaining debt service and other ratios, and failing which the lender has option to call back the loan.

The Group has current financial assets which will be realised in ordinary course of business. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

## 55.3 Market Risk

The Group does not have any material market risk.

## 55.4 Interest rate risk

### (i) Interest rate risk exposure

Interest rate exposure of the Group is mainly on borrowing from banks, which is linked to prime lending rate of bank's borrowing and the Group does not foresee any risk on the same. Non Convertible Debentures were issued at fixed rate of interest and Inter Corporate Deposits were taken on fixed rate of interest.

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Variable rate borrowings	61,774.40	63,593.43	28,451.29
Fixed rate borrowings	10,048.72	188,155.98	131,233.97
<b>Total borrowings</b>	<b>71,823.12</b>	<b>251,749.41</b>	<b>159,685.26</b>

### Interest Rate of Borrowing

Particulars	(₹ in lakhs)			
	Total Borrowing	Floating Rate Borrowings	Fixed Rate Borrowing	Weighted average Interest Rate
<b>As at 31st March, 2017</b>				
Secured	71,623.12	61,774.40	9,848.72	11.28%
Unsecured	200.00	-	200.00	13.55%
<b>Total</b>	<b>71,823.12</b>	<b>61,774.40</b>	<b>10,048.72</b>	<b>11.29%</b>
<b>As at 31st March, 2016</b>				
Secured	230,049.41	63,593.43	166,455.98	13.08%
Unsecured	21,700.00	-	21,700.00	14.22%
<b>Total</b>	<b>251,749.41</b>	<b>63,593.43</b>	<b>188,155.98</b>	<b>13.18%</b>
<b>As at 1st April, 2015</b>				
Secured	144,685.26	28,451.29	116,233.97	13.25%
Unsecured	15,000.00	-	15,000.00	13.54%
<b>Total</b>	<b>159,685.26</b>	<b>28,451.29</b>	<b>131,233.97</b>	<b>13.27%</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	(₹ in lakhs)	
	31st March, 2017	31st March, 2016
Interest rates – increase by 50 basis points	308.87	317.97
Interest rates – decrease by 50 basis points	(308.87)	(317.97)

## 55.5 Capital Management

### Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital, share suspense account and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	(₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Net debt	70,586	247,187	153,845.76
Total equity	112,389	108,209	104,704.74
<b>Net debt to equity ratio</b>	<b>63%</b>	<b>228%</b>	<b>147%</b>

Refer note 21.5 (b) for General Reserve arising on amalgamation which is included for arriving at total equity.

## 56// FIRST TIME ADOPTION OF IND AS - RECONCILIATIONS

56.1 In terms of Ind AS 101, "First time adoption of Indian Accounting Standards" the required reconciliation of equity, other comprehensive income and cash flows with respect to the figures reported under previous GAAP are as given below:

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (a) Reconciliation of equity as at March 31, 2016 and April 1, 2015

(₹ in lakhs)

Particulars	Notes to first-time adoption	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of Transition)		
		previous GAAP *	Effect of transition to Ind AS	Ind AS	previous GAAP *	Effect of transition to Ind AS	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	4 & 11	38,891.15	3,068.28	41,959.43	38,191.28	2,269.50	40,460.78
Capital Work in Progress		2,324.86	145,485.51	147,810.37	1,011.82	238,822.35	239,834.17
Other intangible assets	11	248.22	759.28	1,007.50	185.97	1,728.95	1,914.92
Goodwill		2.67	-	2.67	2.67	-	2.67
<b>Financial assets</b>							
i. Investments	1	31,085.14	(30,526.21)	558.93	59,620.85	(58,932.72)	688.13
ii. Loans	2	144.10	77.00	221.10	1,278.62	83.38	1,362.00
iii. Other financial assets	1	81,886.16	16.65	81,902.81	82,398.58	66.45	82,465.03
Other non-current assets	2	6,671.15	20,114.32	26,785.47	3,105.94	17,720.56	20,826.50
<b>Total non-current assets</b>		<b>161,253.45</b>	<b>138,994.83</b>	<b>300,248.28</b>	<b>185,795.73</b>	<b>201,758.47</b>	<b>387,554.20</b>
<b>Current assets</b>							
Inventories		2,080.50	-	2,080.50	1,525.94	-	1,525.94
<b>Financial assets</b>							
i. Investments		38.20	-	38.20	40.93	-	40.93
ii. Trade receivables		10,036.40	-	10,036.40	13,171.82	-	13,171.82
iii. Cash and cash equivalents		1,222.07	4,617.43	5,839.50	1,575.34	3,078.28	4,653.62
iv. Other Bank Balances		1,316.19	56.92	1,373.11	487.65	26.57	514.22
v. Loans	2	-	10.97	10.97	2.82	21.93	24.75
vi. Other financial assets	2	1,530.81	(348.39)	1,182.42	7,687.88	(5,612.03)	2,075.85
Other current assets	2 & 3	1,755.29	(243.56)	1,511.73	10,768.93	(196.62)	10,572.31
<b>Total current assets</b>		<b>17,979.46</b>	<b>4,093.37</b>	<b>22,072.83</b>	<b>35,261.31</b>	<b>(2,681.87)</b>	<b>32,579.44</b>
Regulatory Deferral Debit Balance		11,026.81	-	11,026.81	18,061.13	-	18,061.13
<b>Total assets</b>		<b>190,259.72</b>	<b>143,088.20</b>	<b>333,347.92</b>	<b>239,118.17</b>	<b>199,076.60</b>	<b>438,194.77</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (a) Reconciliation of equity as at March 31, 2016 and April 1, 2015 (Contd.)

Particulars	Notes to first-time adoption	(₹ in lakhs)					
		As at March 31, 2016 (End of last period presented under Previous GAAP)			As at April 1, 2015 (Date of Transition)		
		previous GAAP *	Effect of transition to Ind AS	Ind AS	previous GAAP *	Effect of transition to Ind AS	Ind AS
<b>Equity and Liabilities</b>							
Equity							
Equity share capital		15,779.33	-	15,779.33	15,779.33	-	15,779.33
Other equity	7, 8, 9,10 & 11	87,301.41	1,624.00	88,925.41	90,597.15	1,832.27	92,429.42
<b>Total equity</b>		<b>103,080.74</b>	<b>1,624.00</b>	<b>104,704.74</b>	<b>106,376.48</b>	<b>1,832.27</b>	<b>108,208.75</b>
<b>Non-Controlling Interest</b>		<b>1.01</b>	<b>20,091.39</b>	<b>20,092.40</b>	<b>(8.51)</b>	<b>20,479.86</b>	<b>20,471.35</b>
<b>Liabilities</b>							
Non-current liabilities							
Financial liabilities							
i. Borrowings	3	39,720.32	104,574.30	144,294.62	72,628.97	154,509.65	227,138.62
ii. Trade Payable	2	4,621.91	(1,972.94)	2,648.97	4,535.24	(1,663.15)	2,872.09
ii. Other financial liabilities	2, 5 & 6	7,348.68	7,481.18	14,829.86	6,797.05	8,293.59	15,090.64
Provisions		299.20	92.69	391.89	343.55	188.39	531.94
Deferred tax liabilities	6	3,228.51	715.06	3,943.57	3,663.76	359.19	4,022.95
Other non-current Liability	2	859.12	2,560.97	3,420.09	2,178.18	1,878.68	4,056.86
<b>Total non-current liabilities</b>		<b>56,077.74</b>	<b>113,451.26</b>	<b>169,529.00</b>	<b>90,146.75</b>	<b>163,566.35</b>	<b>253,713.10</b>
Current liabilities							
Financial liabilities							
i. Borrowings		12,710.53	-	12,710.53	18,869.91	-	18,869.91
ii. Trade payables		7,674.59	(0.95)	7,673.64	8,637.92	500.00	9,137.92
iii. Other financial liabilities	2, 3 & 6	5,705.96	7,979.84	13,685.80	9,803.28	12,872.10	22,675.38
Other current liabilities	2	2,221.14	892.02	3,113.16	2,327.45	814.65	3,142.10
Provisions	7	2,120.23	(934.48)	1,185.75	2,243.56	(930.71)	1,312.85
Current tax liabilities		667.78	(14.88)	652.90	721.33	(57.92)	663.41
<b>Total current liabilities</b>		<b>31,100.23</b>	<b>7,921.55</b>	<b>39,021.78</b>	<b>42,603.45</b>	<b>13,198.12</b>	<b>55,801.57</b>
<b>Total liabilities</b>		<b>87,177.97</b>	<b>121,372.81</b>	<b>208,550.78</b>	<b>132,750.20</b>	<b>176,764.47</b>	<b>309,514.67</b>
<b>Total equity and liabilities</b>		<b>190,259.72</b>	<b>143,088.20</b>	<b>333,347.92</b>	<b>239,118.17</b>	<b>199,076.60</b>	<b>438,194.77</b>

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

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (b) Reconciliation of total comprehensive income for the period ended 31 March, 2016

Particulars	Notes to first-time adoption	(₹ in lakhs)		
		previous GAAP *	Adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations	11	70,894.65	1,132.21	72,026.86
Other income	1 & 2	1,016.01	737.16	1,753.17
<b>Total income</b>		<b>71,910.66</b>	<b>1,869.37</b>	<b>73,780.03</b>
<b>Expenses</b>				
Cost of materials consumed - Coal Consumption		1,652.90	-	1,652.90
Energy Purchase		48,544.13	-	48,544.13
Lease Rent		5,480.18	-	5,480.18
Employee benefit expense	2 & 9	4,735.79	(85.36)	4,650.43
Finance costs	2 & 3	4,381.08	662.92	5,044.00
Depreciation and amortisation expense		1,866.80	70.51	1,937.31
Other expenses	2 & 5	3,115.60	1,019.55	4,135.15
<b>Total expenses</b>		<b>69,776.48</b>	<b>1,667.62</b>	<b>71,444.10</b>
<b>Profit before exceptional items, rate regulated activities and tax</b>		<b>2,134.18</b>	<b>201.75</b>	<b>2,335.93</b>
Regulatory income/(expense) (net)		2,319.11	-	2,319.11
<b>Profit before exceptional items, tax and share of Profit/(Loss) of associates and Joint Venture</b>		<b>4,453.29</b>	<b>201.75</b>	<b>4,655.04</b>
<b>Tax expense</b>				
- Current tax		782.33	13.19	795.52
- Income tax for earlier year		0.20	-	0.20
- Deferred tax	7	435.25	(339.83)	95.42
<b>Profit After Tax before share of Profit/(Loss) of Joint Ventures</b>		<b>3,235.51</b>	<b>528.39</b>	<b>3,763.90</b>
Other comprehensive income	9 & 10	-	68.62	68.62
<b>Total comprehensive income</b>		<b>3,235.51</b>	<b>597.01</b>	<b>3,832.52</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		3,248.73	208.23	3,456.96
Non-Controlling Interest		(13.22)	388.78	375.56

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

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (c) Reconciliation of total equity as at 31 March, 2016 and 1 April, 2015

Particulars	Notes to first time adoption	(₹ in lakhs)	
		31st March, 2016	1st April, 2015
Total equity (shareholder's funds) as per previous GAAP		106,376.48	103,080.71
<b>Adjustments:</b>			
Financial Instruments taken at amortised cost	2	826.82	785.13
Fair Value of Mutual funds through Profit and Loss	1	48.06	45.63
Fair Value of equity instrument through other comprehensive income	1 & 10	252.83	127.20
Impact of service concession agreement	11	143.99	70.25
Proposed dividend reversed	7	949.58	949.58
Lease hold land being classified as finance lease	5	(20.48)	(20.71)
Effect of decapitalisation of borrowing cost and depreciation	4	(9.35)	(12.76)
Effects of taxes on above tax	6	(359.18)	(320.29)
Total adjustments		1,832.27	1,624.03
<b>Total equity as per Ind AS</b>		<b>108,208.75</b>	<b>104,704.74</b>

## (d) Reconciliation of total comprehensive income for the year ended 31 March, 2016

Particulars	Notes to first-time adoption	(₹ in lakhs)
		31st March, 2016
Profit after tax as per previous GAAP		3,248.73
<b>Adjustments:</b>		
Financial Instruments taken at amortised cost	2	41.73
Fair Valuation of Mutual fund through Profit and loss account	1	2.42
Lease hold land being classified as finance lease	5	0.22
Impact of service concession arrangement	11	73.74
Remesurement of defined benefit obligation	9	60.78
Effect of depreciation on decapitalisation of borrowing cost	4	3.42
Effects of taxes on above tax	6	(38.93)
<b>Total adjustments</b>		<b>143.38</b>
<b>Profit after tax as per Ind AS</b>		<b>3,392.11</b>
<b>Other comprehensive income</b>	9 & 10	64.85
<b>Total comprehensive income as per Ind AS</b>		<b>3,456.96</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## (e) Effect of Ind AS adoption on the statement of cash flow for the year ended March 31, 2016

Particulars	(₹ in lakhs)		
	previous GAAP *	Effect of transition to Ind AS	Ind AS
Net cash flow from operating activities	(6,577.86)	11,501.58	4,923.72
Net cash flow from investing activities	(30,482.98)	(39,582.75)	(70,065.73)
Net cash flow from financing activities	37,445.65	26,510.48	63,956.13
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>384.81</b>	<b>(1,570.69)</b>	<b>(1,185.88)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,247.58</b>	<b>4,591.92</b>	<b>5,839.50</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,632.39</b>	<b>3,021.23</b>	<b>4,653.62</b>

## 56.2 First time adoption - Mandatory exceptions and optional exemptions

### Overall Principle

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below.

### Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### Impairment of Financial Assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have

been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38.

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

Ind AS 27 permits an entity to measure the investments in subsidiaries, joint ventures and associates at either cost or in accordance with Ind AS 109.

Accordingly, the group has elected to carry its investments in subsidiaries at deemed cost being carrying amount under previous GAAP on the transition date.

### Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 for determining whether an arrangement contains a lease at the transition date on the basis of facts and circumstances existing at that date.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 56.3 Explanatory notes to Consolidated Balance Sheet reconciliations

### Note 1: Fair valuation of investments

Under previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.

### Note 2: Financial assets and Financial liabilities

Under the previous GAAP, interest free lease security deposits, loans & advances that are refundable in cash and amounts recoverable from customers in cash are recorded at their transaction value. Under Ind AS, all such financial assets are required to be recognised initially at fair value and subsequently at amortised cost. Accordingly, the company has fair valued these financial assets under Ind AS. Difference between the fair value and transaction value has been recognised according to the nature of these financial assets.

Under the previous GAAP, non current trade payables and other long term liabilities payable to suppliers or refundable to consumers are recorded at their transaction value. Under Ind AS, all such financial liabilities are required to be recognised initially at fair value and subsequently at amortised cost. Accordingly, the company has fair valued these financial liabilities under Ind AS. Difference between the fair value and transaction value has been recognised according to the nature of these financial liabilities.

### Note 3: Borrowings

Under previous GAAP, entire amount of transaction costs in respect of certain borrowings were capitalised or charged off to statement of profit and loss. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

### Note 4: Property, plant and equipment

Under the previous GAAP, transaction costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Under Ind AS, the unamortised amount of upfront fee as at the date of the transition should be adjusted from the carrying amount of loan to arrive at its amortised cost. In the current case, the Company has already capitalised the processing cost as a part of the cost of the fixed assets. As a consequence, to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101, the carrying amount of fixed assets as at the date of the transition have been reduced by the amount of processing cost (net of cumulative depreciation impact). The difference between the adjustments to the carrying amount of loan and to fixed assets, respectively has been recognised in the retained earnings as at the date of the transition.

### Note 5: Long Term Land Leases

Under previous GAAP, land leases were classified under the Fixed Assets as Leasehold Land. Ind AS 17 deals specifically with land leases. Land leases are classified as finance or operating leases based on the general criteria laid down in the standard. On the basis of lease classification, land leases where the significant risk and rewards have been transferred to the Company has been classified as finance lease.

### Note 6: Deferred tax

The application of Ind AS 12 approach has resulted in recognition of deferred tax on temporary differences which was not required under previous GAAP including those resulting due to transitional adjustments. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Ind AS 12 requires classification of MAT credit as deferred tax asset. Accordingly, the Group has reclassified MAT credit to deferred tax asset as at the transition date. This has no resulting impact on equity or net profit.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## Note 7: Proposed dividend

Under the previous GAAP, dividends proposed by the Board of Directors after the Statement of Financial Position date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

## Note 8: Retained Earnings

Retained earnings has been adjusted consequent to the above Ind AS transition adjustments.

## Note 9: Remeasurements of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised to retained earnings through OCI. This has no resulting impact on equity.

## Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

## Note 11: Service Concession Arrangements

Under the previous GAAP, accounting for public to private service concession arrangements were not

covered in any of the standards. Appendix A of Ind AS 11 provides that an entity needs to apply the Appendix to Public to Private Service Concession Arrangements if:

- The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price
- The grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement.

Infrastructure within the scope of this Appendix shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.

Infrastructure items to which the operator is given access by the grantor for the purposes of the service arrangement are not recognised as property, plant and equipment of the operator.

**Accordingly the subsidiary, India Power Corporation (Bodhgaya) Limited being the 'operator' or 'service provider' for the Service Concession Arrangement in existence has applied Appendix A of Ind AS 11 and has accordingly recognised Intangible Asset for the right to charge users of the public service and derecognised Fixed Assets carried under previous GAAP in Ind AS on the transition date.**

**The subsidiary, India Power Corporation (Bodhgaya) Limited accounts for revenue and costs relating to construction services in accordance with Ind AS 11.**

**The subsidiary, India Power Corporation (Bodhgaya) Limited accounts for revenue and costs relating to operation services in accordance with Ind AS 18.**

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 57.1 Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2016-17		2016-17		2016-17		2016-17	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Profit/Loss	As % of Consolidated net assets	Other Comprehensive Income	As % of Consolidated net assets	Total Comprehensive Income
<b>Parent Company</b>								
India Power Corporation Limited	72.58%	81,566.53	102.46%	3,912.01	98.66%	(104.40)	102.57%	3,807.61
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
India Power Corporation (Bodhgaya) Limited	0.22%	248.05	0.45%	17.05	1.63%	(1.72)	0.41%	15.33
IPCL Power Trading Pvt Ltd	0.04%	43.49	0.68%	25.94	(0.28%)	0.30	0.71%	26.24
India Power Green Utility Pvt Ltd	(0.01%)	(9.23)	(0.10%)	(3.95)	-	-	(0.11%)	(3.95)
<b>Stepdown Subsidiaries</b>								
PL Sunrays Limited	(0.01%)	(9.41)	(0.25%)	(9.41)	-	-	(0.25%)	(9.41)
PL Solar Renewable Limited	(0.01%)	(8.71)	(0.23%)	(8.71)	-	-	(0.23%)	(8.71)
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
IPCL Pte Ltd (Refer 57.1 a)	(0.06%)	(67.64)	(1.08%)	(41.35)	-	-	(1.11%)	(41.35)
<b>Non-controlling Interest in all subsidiaries</b>	(0.01%)	(15.40)	(0.45%)	(17.26)	-	-	(0.46%)	(17.26)
<b>Joint Venture</b>								
Matsya Shipping and Ports Pvt Ltd	-	-	0.00%	-	-	-	-	-
India Uniper Power Services Pvt Ltd	(0.05%)	(56.41)	(1.48%)	(56.41)	-	-	(1.52%)	(56.41)
<b>Associate</b>								
India Power Corporation (Haldia) Limited	27.30%	30,682.70	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>112,373.97</b>	<b>100.00%</b>	<b>3,817.91</b>	<b>100.00%</b>	<b>(105.82)</b>	<b>100.00%</b>	<b>3,712.09</b>

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2017

## 57.1 (a) Includes information of its subsidiary Edison Power Limited

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

## 57.2 Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013

Name of the Company	(₹ in lakhs)									
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income		2015-16	
	2015-16	As % of Consolidated net assets	2015-16	As % of Consolidated net assets	2015-16	As % of Consolidated net assets	2015-16	As % of Consolidated net assets	2015-16	Total Comprehensive Income
<b>Parent Company</b>										
India Power Corporation Limited	83.94%	108,020.48	86%	3,235.09	139%	95.33	-	-	3,330.42	
<b>Indian Subsidiaries</b>										
<b>Direct Subsidiaries</b>										
India Power Corporation (Bodhgaya) Limited	0.18%	232.72	5%	189.66	(39%)	(26.71)	-	-	162.95	
IPCL Power Trading Pvt Ltd	0.01%	17.25	0%	13.11	-	-	-	-	13.11	
India Power Green Utility Pvt Ltd	0.00%	(5.28)	0%	(5.28)	-	-	-	-	(5.28)	
<b>Foreign Subsidiaries</b>										
<b>Direct Subsidiaries</b>										
IPCL Pte Ltd (Refer Note 57.2 a)	(0.04%)	(56.42)	(1%)	(44.24)	-	-	-	-	(44.24)	
Non-Controlling Interest in all subsidiaries	15.91%	20,471.35	10%	375.56	-	-	-	-	375.56	
<b>Total</b>	<b>100.00%</b>	<b>128,680.10</b>	<b>100.00%</b>	<b>3,763.90</b>	<b>100.00%</b>	<b>68.62</b>	<b>-</b>	<b>-</b>	<b>3,832.52</b>	

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2016

### 57.2 (a) Includes information of its subsidiary Edison Power Limited

58// These financial statements have been approved and adopted by Board of Directors of the Company in their meeting dated May 29, 2017 for issue to the shareholders for their adoption.

59// Previous year/period figures are not comparable with current figures these were changes in the status of investment entities considered during the year for consolidation as stated in note 8.9 and thereby current year figures are not comparable with the corresponding figures of previous year.

Significant Accounting Policies and other accompanying notes (1- 59) are an integral part of the financial statements.

For **Lodha & Co**  
Chartered Accountants

**H.K. Verma**  
Partner  
Place: Kolkata,  
Date: 29th May, 2017

For and on behalf of the Board

**A.K. Goswami**  
Director  
(DIN:03331661)

**Amit Kiran Deb**  
Director  
(DIN:02107792)

Annexure - A

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of the section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of the subsidiaries/associate companies/joint ventures

**Part-"A" : Subsidiaries**

(₹ in lakhs)

Sl. No.	Name of subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision For Taxation	Foreign Currency in S\$	
											Profit After Taxation	Proposed Dividend
1	India Power Corporation (Bodhgaya) Ltd.	INR	10.00	248.03	21,093.52	20,835.49	-	20,096.37	111.06	94.01	17.05	-
2	IPCL Power Trading Pvt Ltd.	INR	521.00	40.89	8,348.99	7,787.10	-	8,047.45	37.55	11.57	25.98	-
3	IPCL Pte Ltd. #	INR	5.94	(87.82)	277.32	359.20	-	-	(48.29)	-	(48.29)	-
		S\$	12,000.00	(231,121.85)	597,156.56	816,278.41	-	-	102,370.20	-	102,370.20	-
4	India Power Green Utility Pvt. Ltd.	INR	11.00	(9.23)	543.87	542.10	126.91	5.47	(3.95)	-	(3.95)	-
5	PL Solar Renewable Ltd.	INR	1.00	(146.05)	43.29	188.34	-	0.02	(9.43)	(0.03)	(9.40)	-
6	PL Sunrays Power Ltd.	INR	1.00	(171.41)	58.49	228.90	-	0.02	(9.06)	(0.34)	(8.72)	-

As on 31.03.2017 1S\$= 46.44 INR

**Notes:** The following information shall be furnished at the end of the statement:

- |   |   |  |
|---|---|--|
| 1 | Names of Subsidiaries which are yet to commence operations.               | IPCL Pte Ltd.<br>India Power Green Utility Pvt. Ltd.<br>Edison Power Limited |
| 2 | Names of Subsidiaries which have been liquidated or sold during the year. | Matsya Shipping and Ports Pvt. Ltd.  |

# Includes information of its subsidiary Edison Power Limited

**Part-"B" : Associates & Joint Ventures**

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associate	Associates	
		India Power Corporation (Haldia) Limited	
1	Latest audited Balance Sheet Date	31.03.2017	
2	Share of Associate		
	No.	306,827,040	
	Amount of Investment in Associate	₹ 30,682.70 lakhs	
	Extent of Holding %	30.61%	
3	Description of how there is significant influence	Not Applicable	
4	Reason why associate is not consolidated	Consolidated	
5	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 100,198.27 lakhs	
6	Profit/Loss for the year		
i	Considered in Consolidation	₹ 10.36 lakhs	
ii	Not Considered in Consolidation	Nil	

Sl. No.	Name of Joint Venture	Joint Venture	
		India Uniper Power Services Pvt. Ltd.	Matsya Shipping and Ports Pvt. Ltd.
1	Latest audited Balance Sheet Date	31.03.2017	31.03.2017
2	Share of Associate		
	No.	3,525,000	5,000
	Amount of Investment in Associate	₹ 352.50 lakhs	₹ 0.50 lakhs
	Extent of Holding %	50%	50%
3	Description of how there is significant influence	Not Applicable	Not Applicable
4	Reason why associate is not consolidated	Consolidated	Consolidated
5	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 563.61 lakhs	₹ (2.76) lakhs
6	Profit/Loss for the year		
i	Considered in Consolidation	₹ (141.39) lakhs	₹ (3.76) lakhs
ii	Not Considered in Consolidation	Nil	Nil

# GLOSSARY

ABT	: Availability Based Tariff	LT	: Low Tension
AMR	: Automated Meter Reading	MTOE	: Million Tonnes of Oil Equipment
APR	: Annual Performance Review	MU	: Million Units (equivalent to Giga Watt Hour)
ARR	: Aggregate Revenue Requirement	MVA	: Mega Volt-Ampere
AT&C	: Aggregate Technical & Commercial	MVCA	: Monthly Variable Cost Adjustment
CAGR	: Compounded Annual Growth Rate	MW	: Mega Watt
CEA	: Central Electricity Authority	MWH	: Mega Watt Hour
CER	: Carbon Emission Reduction	MYT	: Multi Year Tariff
CERC	: Central Electricity Regulatory Commission	PAF	: Plant Availability Factor
Ckm	: Circuit Kilometre	PF	: Power Factor
CUF	: Capacity Utilisation Factor	PLF	: Plant Load Factor
DF	: Distribution Franchisee	PPA	: Power Purchase Agreement
Discom	: Distribution Company	PPP	: Public Private Partnership
FPPCA	: Fuel And Power Purchase Cost Adjustment	RLDC	: Regional Load Despatch Center
GBI	: Generation Based Incentive	ROCE	: Return on Capital Employed
GCV	: Gross Calorific Value	ROE	: Return on Equity
GIS	: Geographic Information Systems	SEB	: State Electricity Board
GPRS	: General Packet Radio Service	SHR	: Station Heat Rate
GW	: Giga Watt	SLDC	: State Load Despatch Center
GWh	: Giga Watt Hour	TWh	: Tera Watt Hour
HT	: High Tension	T&D	: Transmission and Distribution
IDC	: Interest During Construction	V	: Volt
ISGTF	: India Smart Grid Task Force	VA	: Volt Ampere
KV	: Kilo Volt	W	: Watt
KVA	: Kilo Volt Ampere	WACC	: Weighted Average Cost of Capital
KW	: Kilo Watt	WBERC	: West Bengal Electricity Regulatory Commission
KWH	: Kilowatt Hour	Wh	: Watt Hour



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