



NEYVELI UTTAR PRADESH POWER LIMITED

7TH ANNUAL REPORT
2018 - 19

Vision

“To emerge as a leading Power Company in the State of Uttar Pradesh and continue to be socially responsive”.

Mission

- i. Strive towards greater cost competitiveness and work towards continued financial strength;
- ii. Continually imbibe best practices from the best Indian and International Organisation and also adopt environment - friendly technologies for Power Generation;
- iii. Be a preferred Employer by offering attractive avenues of career growth and excellent work environment and by deploying human resources to match International standards;
- iv. Play an active role in society and be sensitive to emerging environmental issues.

CHAIRMAN

Shri. Rakesh Kumar

DIRECTORS

Shri. Narender Kumar Singh

Shri. Nadella Naga Maheswar Rao

Shri. Shaji John

Shri. Bidya Sagar Tiwari

Shri. Subir Chakravorty

CHIEF EXECUTIVE OFFICER

Shri. Kaushal Kishore Anand

CHIEF FINANCIAL OFFICER

Shri. Ashok Kumar Mali

COMPANY SECRETARY

Shri. Nikhil Kumar

STATUTORY AUDITOR

Seth & Associates,
Chartered Accountants,
90- Pirpur Square,
Lucknow – 226 001.

SECRETARIAL AUDITOR

Dileep Dixit & Co.,
Company Secretaries,
H.O. : LGF – 41, Tarun market,
Daliganj Crossing, Sitapur Road,
Lucknow – 226 020.

PRINCIPAL BANKERS & FINANCIAL INSTITUTIONS

Power Finance Corporation Ltd.
REC Ltd.
State Bank of India.

REGISTERED OFFICE

6/42, Vipul Khand,
Gomti Nagar,
Lucknow – 226 010,
Uttar Pradesh.

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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2018-19

To
The Members,
Neyveli Uttar Pradesh Power Limited.

Your Directors have great pleasure in presenting the Seventh Annual Report of your Company together with the Audited Statements of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts for the Financial Year ended on 31st March, 2019.

Project Profile

As members may be aware that your Company is setting up 1980 MW (3 X 660 MW) Coal based Ghatampur Thermal Power Plant (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh. The Government of India (GOI) has accorded sanction for the project on 27.07.2016 at the revised Capital Expenditure of ₹17,237.80 crore with base date of Dec-2015 and the schedule for completion of the project is 52 months, 58 months and 64 months from the date of GOI sanction for the 1st, 2nd and 3rd unit of 660 MW each respectively.

Your Company is also developing Pachwara South Coal Block (PSCB) at Dumka District in the state of Jharkhand, having total coal reserve of 305 MT through Mine Developer and Operator (MDO). Coal from the said block will be used as fuel for GTPP. Your Company has already signed a Coal Block Development and Production Agreement (CBDPA) with the Government of India on 22-02-2017 in respect of Pachwara South Coal Block. Letter of award has been issued to MIPL-GCL Infracontract Private Limited., Ahmedabad for the work of Mine Developer and Operator (MDO) for Pachwara South Coal Block, at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel)

Land

Your Company has already acquired 791.61 Hectare (Ha.) of land for the Ghatampur Thermal Power Plant through government notification, covering a major portion of the land required for the project. Action has been taken for acquiring balance 52.33 Ha. of un-notified pockets of private land through direct purchase from the land owners, under the direction and supervision of Kanpur Nagar District Administration. As on 15.06.2019, consent has been received for 43.60 Ha. of land and for balance 8.73 Ha. the process of getting consent from land owners is under progress. Additionally, 181.43 Ha. land is required for construction of Railway Siding for Ghatampur Thermal Power Plant for which the Company has obtained approval of the District Administration for acquisition of land through direct purchase from the land owners. As on 15.06.2019, consent has been received for 132.06 Ha. and the process for getting consent for balance 49.37 Ha. is under progress.

Water

As already stated in the previous reports, the Government of Uttar Pradesh has accorded sanction for the supply of 80 cusec of water from Western Allahabad Branch Canal (WABC) by saving the water through lining the canal and transferring the same at the downstream near Bidhnu Kasba Village to Ghatampur Thermal Power Plant reservoir at site through underground pipes.

The Company has entered into a MoU with U.P. Irrigation Department (UPID) on Depository Contributory Work (DCW) basis at an estimated cost of ₹436.30 crore for WABC lining work, construction of cross regulator, construction and extension of head regulator and restoration of bridges. The work is under progress and about 51.8 KM C.C. Lining work has been completed out of 288 KM.

The Company has also signed a MoU with U.P. Jal Nigam (UPJN) for laying of water main for 80 cusec water up to reservoir at GTPP. UPJN has issued LOA to M/s L&T construction on 26.10.2017 for the EPC contract of Water Carrier System works with a time schedule of 18 months. Forest Clearance has been issued by Regional Empowered Committee (REC), MoEF & CC, GoI for laying of water pipeline beside NH-86 from Bidhnu canal to GTPP on 06.12.2018. The work for laying of the said pipeline is under progress and 75.69 KM pipe laying work has been completed out of 89.20 KM. Pump House and Head works at Bidhnu site are under progress.

Power Allocation

As already stated in the previous reports, Uttar Pradesh Power Corporation Limited (UPPCL) had signed a Power Purchase Agreement (PPA) for availing 75% of the Power from Ghatampur Thermal Power Plant (GTPP).

UPPCL has accepted to purchase the remaining 25% of power from GTPP, provided the Company supplies power using domestic coal and accepts for power scheduling through UP State Load Dispatch Center. The Company has agreed to use domestic coal and power scheduling through UP State Load Dispatch Centre.

As per the directions of the Ministry of Power (MoP) Govt. of India, UPPCL has given its willingness letter to MoP for availing balance 25% power from GTPP. The Company is pursuing with Ministry of Power (MoP), GoI to expedite the allocation of balance 25% of power from GTPP to UPPCL. On approval, suitable amendment will be made to the existing PPA.

Coal Linkage (Pachwara South Coal Block)

As stated in the earlier reports, the Ministry of Coal (MoC), Govt. of India, has allocated Pachwara South Coal Block (PSCB) Dumka, in the state of Jharkhand, to your Company, having total estimated coal reserve of 305 MT, to cater to the coal requirement of GTPP.

For development of the said coal block, tender was floated for engaging Mine Developer and Operator (MDO) and the work has been awarded to MIPL-GCL Infracontract Private Limited., Ahmedabad, at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel).

Meanwhile, in order to supply coal to GTPP till development of PSCB, a proforma for seeking Bridge Coal Linkage for a period of 3 years (2020-2023) has been submitted to the Ministry of Coal.

Project Status

Your company has issued Letter of Award to major packages viz. Steam Generator Package (GA1), Turbine Generator Package (GA2), Balance of Plant Package (GA3) and Railway Siding Work. The package contractors have started construction activities since October 2016 and the same are under progress. An International Competitive Bidding (ICB) tender for Flue Gas De-sulphurization Plant Package (GA4) is under process.

Construction of Compound wall around the acquired land area of the entire project, Construction Power Supply, Construction Water Supply works and other infrastructural works like approach road, construction of Township & Administrative Office Building, Gate Complex, Ware House, Canteen Buildings, First Aid Centre, CISF Barracks, Watch Towers, Plant Boundary Wall, plantation of trees and various other non-residential buildings like recreational club, Auditorium, sports office, training complex, community hall, School building, Hospital building, shopping complex etc., are under progress.

As on 31.03.2019, overall physical progress achieved for GTPP was 35.46% against the target of 35.34% and the overall financial progress achieved was 32.91% against the target of 32.81%. During the year, guest house, bachelor hostel, canteen, security office, first aid centre, construction power supply substation, administrative office, township restaurant building, occupational health centre (OHC) and township estate building were inaugurated.

Achievements during the year 2018-19

1. In GA-1 (Steam Generator & Auxiliaries) Package, 1018 MT structure has been erected in a single day on 25.12.2018.
2. In GA-2 (Turbine Generator & Auxiliaries) Package, TG deck casting has been completed on 27.12.2018.
3. In GA-3 (Balance of Plant) Package, 2640 cubic meter concrete was completed within 24 hours in Cooling Water Forebay Raft.
4. Website of the Company was launched on 30.03.2019.
5. During the year 2018-19, actual Capex achieved was ₹3518.37 crore as against the excellent MoU target of ₹3500 crore.

Capital Structure

As on 31st March, 2019, the Paid-up Equity Share capital of the Company was 169,30,36,800 equity shares of ₹10/- each amounting to ₹1693.04 crore subscribed by the Promoters viz. NLC India Limited (NLCIL) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) in the ratio of 51:49 respectively.

Financial Statement

The key financial details as on 31.03.2019 are as under:

₹ in lakh

	2018-19	2017-18
EQUITY AND LIABILITIES		
Share Capital	1,69,303.68	90,440.00
Other Equity / Retained Earnings	(228.61)	(2,00.21)
Non-Current Liabilities	3,19,836.11	0.00
Current Liabilities	1,00,949.29	1,35,082.85
TOTAL	5,89,860.47	2,25,322.64
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	26,804.51	23,313.05
Capital Work-in-progress	4,98,834.45	1,24,661.95
Other Non-Current Assets	42,357.86	67,971.25
Current assets:		
i. Financial Assets	20,920.34	8,191.83
ii. Other Current Assets	943.31	1,184.56
TOTAL	5,89,860.47	2,25,322.64

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and outgo and Research & Development

Not applicable as the project is under implementation, however Foreign Exchange outgo during the FY 2018-19 was ₹16,766.09 lakh towards payment to package contractors, project consultancy contract and foreign tour of executives.

Risk Management

Your Company has an approved risk assessment and minimisation procedure. The perceived potential risks along with mitigation measures are being periodically reviewed by the Board.

Corporate Social Responsibility (CSR)

Your Company, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, focusing on the socio-economic development of the operating regions for achieving inclusive growth. In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility (CSR) Committee. The CSR Committee of the Board is monitoring the implementation of the CSR Projects. Your Company has adopted a Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. The Policy is available on the Company's website <https://nuppl.co.in/wp-content/uploads/2019/06/CSR-Policy.pdf>

As the project is under construction stage, the requirement to spend on CSR activities, under the provisions of Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, does not arise, but in order to comply with the conditions of the Environmental Clearance granted by MoEF & CC for GTPP, the Company

is required to spend 0.4% and 0.08% of capital cost of the project as capital cost during the construction phase of the project and recurring cost per annum till the operation of the plant, respectively towards CSR activities. The annual report on CSR/ Community development activities is furnished at Annexure – 1.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis report is furnished at Annexure-2. The report on Corporate Governance on the compliance of DPE Guidelines on Corporate Governance along with certificate issued by the Statutory Auditors on the compliance of above guidelines are furnished at Annexure – 3 & 4 respectively.

Particulars of Employees

Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Nil.

Loans, Guarantees and Investments

The Company has not granted any loan or guarantee or done any investments during the year 2018-19.

Transfers to Reserves

Since the Project is under construction, during the year 2018-19, no amount has been transferred to general reserves.

Deposits

The Company has not accepted any deposit from public.

Material Changes affecting financial position occurring between the date of Financial Statement and Directors' Report

There were no material changes affecting financial position occurring between the date of Financial Statement and the Directors' Report.

Sexual harassment of women at workplace

Employees of your Company are being deputed by the holding Company, NLC India Limited, which has a separate Committee for looking into the complaints relating to sexual harassment of women at workplace.

During the year 2018-19, no women employee has been employed in the Company.

Extract of Annual Return

The extract of Annual return in terms of Section 134(3) read with 92(3) of the Companies Act, 2013 is placed at Annexure –5

Statutory Audit

Seth & Associates, Chartered Accountants, Lucknow has been appointed as the Statutory Auditor of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2018-19, under Section 139 of the Companies Act, 2013. The Board of Directors of your Company have fixed ₹75,000/- (rupees seventy-five thousand only) plus applicable tax as the Statutory Audit Fees for the year 2018-19 in addition to reimbursement of out of pocket expenses at actual.

Internal Audit

JLN US & Co., Chartered Accountants, Vadodara, Gujarat, has been appointed as the Internal Auditor of the Company for the financial year 2018-19.

Secretarial Audit

Dileep Dixit & Co., Practising Company Secretaries, Lucknow has been appointed as the Secretarial Auditor for the year 2018-19. The Secretarial Audit report for the year 2018-19 and reply to the observations of the Secretarial Auditor are furnished at Annexure – 6

C&AG's Comments

C&AG's comments on the accounts for the year ended 31st March, 2019 are furnished at Annexure - 7

Directors' Responsibility Statement as per Section 134(3)(c) of the Companies Act, 2013

The Board of Directors declares: -

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the annual accounts on a going concern basis; and
- e. the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board of Directors and Key Managerial Personnel

Dr. Sarat Kumar Acharya (DIN: 03357603), has relinquished as the Chairman of the Company with effect from 01.08.2018 on attaining the age of superannuation and Shri. Rakesh Kumar, Director, was elected as the Chairman of the Board of Directors of the Company.

Shri. Nadella Naga Maheswar Rao (DIN: 08148117) Director (Planning & Projects) / NLCIL was inducted into the Board as an Additional Director with effect from 16.08.2018.

Pursuant to the Ministry of Coal Letter No. 21/3/2011-ASO/BA dated 11/01/2019 Shri. Ashish Upadhyaya (DIN: 06855349), Joint Secretary, Ministry of Coal has relinquished as the Director of the Company with effect from 11.01.2019 and Shri. Narender Kumar Singh, Deputy Secretary, Ministry of Coal was inducted into the Board as an Additional Director with effect from 18.01.2019. Shri. V. Thangapandian (DIN: 07255163) has relinquished as the Director of the Company with effect from 01.04.2019 on attaining the age of superannuation and Shri. Shaji John, (DIN: 08418401), Director (Power)/NLCIL was inducted into the Board as an Additional Director with effect from 17.04.2019.

Shri. S.R. Siva Prasad relinquished as the Chief Financial Officer of the Company with effect from 16.08.2018 and Shri. Ashok Kumar Mali was appointed as the Chief Financial Officer of the Company with effect from 16.08.2018.

The Board places on record its appreciation for the valuable guidance provided by Dr. Sarat Kumar Acharya, Shri. Ashish Upadhyaya and Shri. V. Thangapandian, during their tenure as Directors on the Board of the Company. The Board also records its appreciation for the valuable guidance provided by Shri. S.R. Siva Prasad during his tenure as the Chief Financial Officer of the Company.

Shri. Rakesh Kumar, (DIN: 02865335), Director retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Acknowledgement

The Board of Directors of your Company places on record its sincere appreciation for the continued support & guidance extended by the Ministry of Coal, Ministry of Environment & Forest, Govt. of Uttar Pradesh, Govt. of Jharkhand, NLC India Ltd. and Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. The Board of Directors of your Company are pleased to acknowledge with gratitude, co-operation and continued support extended by District Administration, Revenue Department, Land Acquisition Department, Irrigation Department of Tehsil of Kanpur, Lucknow & Dumka, UP Jal Nigam, Uttar Pradesh Power Corporation Ltd., Uttar Pradesh Transmission Corporation Ltd., CMPDIL Ranchi, NHAI Kanpur, UP Pollution Control Board and other Statutory Authorities concerned and the public of Ghatampur Tehsil. The co-operation and support by the Comptroller and Auditor General of India, the Statutory Auditors, Internal Auditors and Secretarial Auditors of the Company need special mention and Directors acknowledge the same. Your Directors also wish to place on record their appreciation for the dedicated work, put-forth by the employees at all levels.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 18.07.2019

RAKESH KUMAR
CHAIRMAN

Corporate Social Responsibility (CSR) Report

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of NUPPL’s CSR Policy, including overview of project or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

- The vision of NUPPL is to emerge as a leading Power Company in the state of Uttar Pradesh and continue to be socially responsive.
- NUPPL's mission is to Play an active role in Society and be sensitive to emerging environmental issues.
- The CSR activities of NUPPL focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.
- The objective of NUPPL is to adopt appropriate strategies for all round development of the Company in physical, financial, environmental and societal spheres as a socially responsible Corporate Citizen.
- NUPPL has adopted a CSR policy under which new/ongoing CSR projects/Program/ activities are undertaken. The policy is available on the website <https://nuppl.co.in/wp-content/uploads/2019/06/CSR-Policy.pdf>
- Aiding in the Socio-economic development of the local state(s) in which NUPPL operates and also the country at large.
- The CSR of NUPPL contributes to various sectors of development, as enumerated in the schedule VII of the Companies Act, 2013. The main sectors are:
 - Health and Sanitation
 - Education
 - Employment Enhancing Vocational skills
 - Sports
 - Rural Development Projects for Roads & access, water resources augmentation for irrigation and overall community development.

2. The Composition of the CSR Committee as on 31.03.2019 was as under:

Name of the Member	Designation
Shri. Rakesh Kumar	Chairman
Shri. V.Thangapandian	Member
Shri. Nadella Naga Maheswar Rao	Member

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

The average net loss/profit during the three immediately preceding financial years i.e. 2015-16, 2016-17 and 2017-18 is NIL. Since the Company is yet to commence commercial operations as the project is under implementation.

4. Prescribed CSR Expenditure.

The Company, during the financial year under review, as per the requirement of the Companies Act, 2013, is not required to spend on CSR activities since the project is under construction.

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

- (a) The total amount to be spent for the financial year :
Not applicable, however the Company has voluntarily spent ₹191.03 lakh during the financial year 2018-19 towards CSR Activities.
- (b) Amount unspent, if any : Not applicable
- (c) Manner in which the amount spent during the financial year is detailed below:

₹ in lakh

(1) Sl. No.	(2) CSR Project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-Heads: (1) Direct expenditure on projects or programs (2)Overheads:	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	Providing of 8 no. of computers to schools	Promoting education	Ghatampur Tehsil (Local)	4.52	4.52	4.52	Direct
2	Refurbishment of water bodies	Ecological balance	Ghatampur Tehsil (Local)	12.31	12.31	12.31	
3	Ambulance and mobile healthcare	Promoting health care	Ghatampur Tehsil (Local)	35.51	35.51	35.51	
4	Installation of 5 R.O plants	Safe drinking water supply	Mirzapur	3.64	3.64	3.64	
5	Installation of water distribution pipeline for overhead water tanks	Safe drinking water supply	Ghatampur Tehsil (Local)	28.56	28.56	28.56	
6	Installation of 80 no. of hand pumps	Safe drinking water supply	Ghatampur Tehsil (Local)	38.32	38.32	38.32	
7	Construction of wash room and related repairs	Sanitation & other basic amenities	Ghatampur Tehsil (Local)	12.41	12.41	12.41	
8	Skill development program	Vocational skill development	Ghatampur Tehsil (Local)	6.06	6.06	6.06	
9	Renovation of 2 Primary School, 7 Middle school & 1 high school	Promoting education	Ghatampur Tehsil (Local)	33.14	33.14	33.14	
10	Installation of 8 no's of 500WP solar panels with 1000VA solar inverter with 180AH solar battery system with all accessories	Rural Infrastructure Development	Ghatampur Tehsil (Local)	4.60	4.60	4.60	
11	Internal Electrification of Primary school building including installation of Solar street light and submersible motor	Promoting education	Ghatampur Tehsil (Local)	3.01	3.01	3.01	
12	Supply of AC, furniture etc.	Sanitation & other basic amenities	Ghatampur Tehsil (Local)	8.95	8.95	8.95	
Total				191.03	191.03	191.03	

6. In case the Company has failed to spend the two per cent 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.

Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The responsibility statement of the CSR Committee is given below:

The implementation and monitoring of the CSR Policy is in compliance with CSR objective and policy of NUPPL.

sd/-

CHIEF EXECUTIVE OFFICER

sd/-

CHAIRMAN/CSR COMMITTEE

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

Power

The power sector in India has witnessed exponential growth like never before. With a total installed power generating capacity of 3,46,048 MW as of October 2018, India has emerged as the world's third-largest electricity producer.

Further, a total capacity addition of 58,384 MW from conventional sources has been envisaged for the period 2017-2022, consisting of 47,855 MW of coal-based power stations, 406 MW of gas-based power stations, 6,823 MW of hydro power stations and 3,300 MW of nuclear power stations. In addition, there has been a big thrust by the government for setting up renewable power generation capacity of 175 GW by the year 2022.

According to the National Electricity Plan (NEP) report published by the Central Electricity Authority, Ministry of Power, such huge project execution will attract an investment of ₹11,55,652 crore in power generation sector in the five-year period between 2017 and 2022. The above fund requirement of ₹11,55,652 crore includes ₹8,52,804 crore investment in projects likely to be commissioned during the five-year period 2017-22 and ₹3,02,848 crore expenditure is needed with respect to advance action for projects likely to be commissioned in the next five-year period i.e. 2022-27. Out of the fund requirement of ₹8,52,804 crore for the projects likely to be commissioned during 2017-22, ₹1,42,566 crore would be required for central sector projects, ₹92,889 crore would be required for state sector projects and ₹6,17,349 crore for private sector projects. In this estimation, it is assumed that all the renewable projects will be implemented by private developers.

Credit Rating agency ICRA has estimated a healthy 6% demand growth for the power sector during the financial year 2018-19 and has maintained a stable outlook for the segment. This growth rate coupled with the slowdown in addition of new capacity and slow progress in resolution of stressed thermal assets would enable a steady improvement in the utilisation of the existing capacity. If the demand growth of 6% sustains over the next three years, the utilisation of the thermal capacity would improve to about 63% in the financial year 2019-20 and further upto 67% by the financial year 2021-22.

During the first seven months of the financial year 2018-19, national power demand growth has remained at a steady 6.5% which is higher than 5.5% reported in the first seven months and the full year growth of 6.2% in the previous financial year 2017-18. The rising demand is being met from higher generation by both thermal and renewable energy plants. This is reflected in the improvement in thermal power PLF to 61.1% in the first seven months of the financial year 2018-19 against 59% in the first seven months of the previous year 2017-18.

The increased demand for electricity coupled with the shortfall in coal supply from domestic sources, has led to higher dependence on costlier coal imports during the financial year 2017-18 & 2018-19. The higher dependence on coal imports is augmented by the rising

international coal prices and depreciation of rupee against dollar. The Indonesian coal price index has increased by about 16% in the first 11 months of calendar year 2018 on a year to year basis. This has resulted in an upward pressure on cost of power purchase for the distribution utilities. Therefore, augmentation of domestic coal supplies through both higher mining activity and improved rail infrastructure is crucial for the power sector from cost control perspective.

Renewable energy is fast becoming a major source of power in India. As per Climatescope report by energy researcher BloombergNEF, India ranks second after Chile in the year 2018 with increased investments and clean energy installations, as well as the world's largest renewables auction market. India's ambitious clean energy policies and extremely competitive renewable energy market has pushed the country to second position. The Indian market is home to the largest and most competitive auctions in the world, which contracted over 10.5 GW from wind and solar in 2017 alone. India has also one of the world's most ambitious renewable energy targets. It aims to reach 175 GW of clean energy capacity by March 2022, with 100 GW coming from solar, 60 GW from wind, and 15 GW from other sources. The share of renewable energy in overall installed power generation capacity has increased from 9% in March 2009 to around 20% as on June 2018. Rating agency ICRA anticipates the share of renewables in the total generation mix to increase by 5% in next four years – from 7.7% in the financial year 2017-18 to 12-13% by the financial year 2021-22.

Coal

Coal is the most important and abundant fossil fuel in India. It accounts for 55% of the country's energy need. India, currently, stands fifth in terms of total World Coal Resources, whereas it is third from the point of view of identified reserves. The country's industrial heritage was built upon indigenous coal. Driven by the rising population, expanding economy and a quest for improved quality of life, energy usage in India is expected to rise. Considering the limited reserve potentiality of petroleum & natural gas, eco-conservation restriction on hydel project and geo-political perception of nuclear power, coal will continue to occupy centre-stage of India's energy scenario.

The all India Production of coal during 2018-19 was 730.354 MT(Provisional) with a positive growth of 8.1% as compared to the production of coal at 675.40 MT in the previous year 2017-18. Fuel is the key input required to be tied up before implementation and proper operation of the thermal power plants. In the changed scenario with growing concern on environment, Government of India is giving thrust on Renewable Energy projects. However, Country's reliance on coal-based generation cannot be overlooked. In order to optimize coal usage, Government is committed for super critical/ultra-super critical technology which are much more efficient and result into reduction in usage of coal.

Strength

- Good financial position of the Promoter Companies viz. NLC India Limited (NLCIL) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL).
- The Promoter Companies are having rich experience in operation of open cast mines and Thermal Power Plants.
- Availability of linked Pachwara South Coal block in the state of Jharkhand.

- Major portion of funding arrangement to be met through borrowings already tied up.
- Highly motivated and dedicated workmen and officers with employee friendly HR policies.
- Harmonious industrial relations.

Weakness

- Pending Acquisition of Un-notified Pockets of Private Land inside GTPS Boundary and additional lands for Railway Siding Works and Water Carrier System works.
- Dependency on external source of supply of coal till the development of the linked coal block.
- Delay in finalisation of Flue Gas-Desulphurisation tender.

Opportunities

- Various concessions/reliefs to the power sector industries initiated by the Government of India, leads to accelerate the power generation in order to achieve the envisaged economic growth rate.
- Thrust by Government of India for development of power through Renewable energy and acquisition of Power Assets.
- Government of India's (GoI) commitment to improve the quality of life of its citizens through higher electricity consumption.
- Rise in per capita consumption of power.
- Power Trading.
- Establishment of Power Exchanges and Regional Power Grid for ensuring better distribution of power from one region to another region.
- Establishment of Cement plant by using fly ash generated by GTPP.

Threats

- Rehabilitation and Resettlement of the tribal people from the Mining Block.
- Given the massive capacity addition plans in the renewable sector, CEA, in its draft national electricity plan estimates no requirement for new coal-based power plants in 2017-22.
- Increased competition from Independent Power Producers has resulted in highly competitive tariff rates being quoted.
- Stringent Pollution Control norms being set by regulators increase project cost and operating cost of power projects.
- The increasing cost (both social and economic) of land acquisition may delay the projects and also impact the operating cost of power projects.
- Stringent Laws of the Forest Dept. for Diversion of the Forest Land for Mining purpose.

Segment Wise Performance

Company is not a multi segment Company.

Outlook

As members may be aware, your Company is establishing 1980 MW (3 x 660 MW) coal based Ghatampur Thermal Power Plant (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh. The Govt. of India has accorded sanction for the Project on 27.07.2016 at the revised Capital Expenditure of ₹17,237.80 crore with base date of Dec-2015 and schedule for completion of the project is 52 months, 58 months and 64 months from the date of GOI sanction for the 1st, 2nd and 3rd unit of 660 MW each respectively.

All major package contracts have been awarded. The package contractors have started construction activities from October 2016. All construction activities are under progress and in full swing. Capex achieved during the financial year 2018-19 was ₹3518.37 crore as against the Excellent MoU target of ₹3500 crore.

Ministry of Coal (MoC), Govt. of India has allocated Pachwara South Coal Block (PSCB), having the total estimated coal reserve of 305 MT in the State of Jharkhand, to the Company for using the coal in its Ghatampur Thermal Power Plant. Your Company has entered into a Coal Block Development and Production agreement (CBDPA) with the Govt. of India (GoI) for the development of Pachwara South Coal Block.

Letter of award (LOA) has been issued to M/s. MIPL-GCL Infracontract Private Limited., Ahmedabad for the work of Mine Developer and Operator (MDO) for Pachwara South Coal Block, at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel). Meanwhile, a proforma for seeking Bridge Coal Linkage to GTPP for 3 years (2020-2023) has been submitted to the Ministry of Coal for approval.

Risks and Concerns

- Pending Acquisition of Un-notified Pockets of Private Land inside GTPS Boundary and additional lands for Railway Siding Works and Water Carrier System works.
- Dependency on external source of supply of coal till the development of the linked coal block.
- Delay in finalisation of Flue Gas-Desulphurisation tender.

Internal Control System and their adequacy

The Company has well-established internal control systems and procedures commensurate with its size and nature of business with an approved and well laid out delegation of authority and external firm of Chartered Accountants has been assigned the work of conducting periodical internal audit covering all the areas. The Audit Committee has been constituted by the Board of Directors to supervise the financial reporting procedures through review of periodical statements including Internal Audit Reports. Further, the accounts of the Company are subject to C&AG audit.

Discussion on the financial position

Covered in the main report

Material developments in Human Resources, Industrial Relations front, including number of people employed

As on 31.03.2019, 136 employees have been deputed in the Company by the holding company, NLCIL. Industrial relations were cordial during the year 2018-19.

Environmental Protection & Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

Presently the project is yet to commence its operation hence the above is not applicable.

Corporate Social Responsibility

Covered in the Main Report.

Cautionary Statement

Statements in the Management Discussion and Analysis and Directors' Report describing the Company's strength, strategies, projections and estimates are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward-looking statements.

For and on behalf of the Board of Directors

**Place: New Delhi
Date: 18.07.2019**

**RAKESH KUMAR
CHAIRMAN**

REPORT ON CORPORATE GOVERNANCE

Company’s philosophy on Code of Corporate Governance:

Transparency, accountability and integrity are the main ingredients of good Corporate Governance. Your Company as a corporate citizen adheres to the standards of good corporate governance in letter and spirit.

Board of Directors:

The Board of Directors of your Company is headed by a Non-executive Chairman.

The composition of the Board of Directors of the Company as approved by the Government of India is as follows:

i) Directors representing NLCIL	3
ii) Directors representing UPRVUNL	2
iii) Government Nominee representing MOC	1
iv) Independent Directors	3

Total	9

The present composition of the Board of Directors of the Company is not fully confirming to the composition approved by the Government of India since three Independent Directors are required to be appointed on the Board of the Company. The issue relating to the appointment of Independent Directors on the Board of the Company has been referred to the Ministry of Coal, the Administrative Ministry and the formal notification for appointment is awaited.

The composition of Board of Directors of the Company as on 31.03.2019 is as under:-

i) Directors representing NLCIL	3
ii) Director representing UPRVUNL	2
iii) Director representing MOC	1
iv) Independent Directors	0

Total	6

The particulars of the Board of Directors as on 31st March, 2019 and other details are furnished as under:

Sl. No	Name (Sarvashri)	Other Directorships held as on 31.03.2019	Other Committee*	
			As Member	As Chairman
Directors representing NLCIL				
1	Rakesh Kumar (DIN: 02865335)	2	-	-
2	V. Thangapandian (DIN: 07255163)	2	2	-
3	Nadella Naga Maheswar Rao (DIN: 08148117)	2	2	-
Directors representing UPRVUNL				
4	Bidya Sagar Tiwari (DIN: 07324713)	4	-	-
5	Subir Chakravorty (DIN: 07942416)	3	-	-
Director representing Ministry of Coal				
6	Narender Kumar Singh (DIN: 08336618)	0	-	-

*Audit Committee and Stakeholders Relationship Committee.

Management of Business & Board Procedure

The day-to-day management of business and affairs of the Company is being administered by the Chief Executive Officer (CEO), who is not a member of the Board and he functions subject to the superintendence, control and direction of the Board. The CEO has been delegated with certain administrative and financial powers by the Board of Directors. Any proposal beyond the powers of CEO and particularly major decisions involving high value capital expenditure, Annual Plans, award of major contracts, mobilization of resources, loans and investments (other than Short-term Investments), borrowings and all policy decisions including policy relating to all personnel matters are decided only at the Meetings of the Board of Directors/ Sub-Committee(s) constituted by the Board of Directors of the Company.

Date of Board Meetings and Directors' Attendance

During the financial year ended 31st March 2019, nine meetings of the Board of Directors were held on the following dates: -

4th May, 2018, 25th May, 2018, 18th July, 2018, 16th August, 2018, 26th September, 2018, 20th November, 2018, 23rd January, 2019, 13th March, 2019 and 26th March, 2019 .

The details of attendance of Directors at the Board Meeting held during the financial year 18-19 were as under: -

Name (Sarvashri)	No. of Meetings attended out of 9 held	Remarks
Rakesh Kumar	9	
V. Thangapandian	9	Relinquished w.e.f. 01.04.2019
Nadella Naga Maheswar Rao	6	Inducted w.e.f. 16.08.2018
Bidya Sagar Tiwari	9	
Subir Chakravorty	7	
Dr. Sarat Kumar Acharya	3	Relinquished w.e.f. 01.08.2018
Ashish Upadhyaya	4	Relinquished w.e.f. 11.01.2019
Narender Kumar Singh	2	Inducted w.e.f. 18.01.2019

General Meeting Attendance

Dr. Sarat Kumar Acharya, the then Chairman, Shri. V. Thangapandian, the then Director, Shri. Rakesh Kumar and Shri. Bidya Sagar Tiwari, Directors attended the last Annual General Meeting held on 18th July, 2018.

Board Committees

The following Sub-Committees have been constituted by the Board of Directors.

Audit Committee

The terms of reference of Audit Committee conform to the requirements of Section 177 of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2019 comprised three Non-Executive Directors. Shri. V. Thangapandian, Director as its Chairman and Shri. Nadella Naga Maheswar Rao & Shri. Bidya Sagar Tiwari, Directors as its Members.

During the year 2018-19, seven meetings of Audit Committee were held on 4th May, 2018, 25th May, 2018, 16th August, 2018, 26th September, 2018, 20th November, 2018, 8th February, 2019 and 26th March, 2019 .

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Rakesh Kumar	5	5
V. Thangapandian	7	7
Bidya Sagar Tiwari	7	7
Nadella Naga Maheswar Rao	2	2

Note: Company Secretary is the secretary to the Audit Committee.

Corporate Social Responsibility Committee

The terms of reference of Corporate Social Responsibility Committee conform to the provisions of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2019 comprised three Non-Executive Directors. Shri. Rakesh Kumar, Director as its Chairman and Shri. V. Thangapandian & Shri. Nadella Naga Maheswar Rao, Directors as its Members.

During the year 2018-19, three meetings of the Corporate Social Responsibility Committee were held on 18th July, 2018, 26th September, 2018 and 26th March, 2019.

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Rakesh Kumar	3	3
V. Thangapandian	3	3
Nadella Naga Maheswar Rao	2	2
Dr. Sarat Kumar Acharya	1	1

Nomination and Remuneration Committee

The terms of reference of Nomination and Remuneration Committee conform to the provisions of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2019 comprised three Non-Executive Directors. Shri. Bidya Sagar Tiwari, Director as its Chairman and Shri. Rakesh Kumar & Shri. V. Thangapandian, Directors as its Members. In the absence of Independent Directors on the Board, the composition of the Committee does not comply with the requirements of the Companies Act, 2013. The Committee will be reconstituted suitably on appointment of Independent Directors on the Board. Presently the employees of NLCIL are transferred and posted in the Company and they are governed by the applicable rules of NLCIL including rules relating to payment of Performance Related Pay (PRP). No meeting was held during the year.

Remuneration to Directors:

No Remuneration/Sitting Fee is being paid to any Part-time Official Directors.

Code of Conduct:

As required under the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard, a declaration by the Chief Executive Officer (CEO) is reproduced below:

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2019."

General Body Meetings

The following are the details of the General Body Meetings of the Company held in the last three years.

Year	Date and Time	Venue
EGM	23.12.2015 – 11.00 Hours	Medley Hall, Hotel Vivanta By Taj, Gomti Nagar, Lucknow- 226 010
AGM 2015-16	13.09.2016 – 10.00 Hours	B-III/204, 2 nd floor, Eldeco Elegance Apartment, Gomti Nagar, Lucknow – 226 010
AGM 2016-17	26.09.2017 – 10.30 Hours	6/42, Vipul Khand, Gomti Nagar, Lucknow - 226 010
AGM 2017-18	18.07.2018 – 12.30 Hours	Zenith Mezannine, First Floor, Renaissance Lucknow Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010
EGM	26.09.2018 – 16.00 Hours	Zenith Mezannine, First Floor, Renaissance Lucknow Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010

Special Resolutions

An Extra-Ordinary General Meeting of the Company was held on 23.12.2015 and the following Special Resolutions were passed:

1. Amendment to Article 1.1 – Definition of Articles of Association of the Company.
2. Alteration of Clause 5 of the Article of Association of the Company for increase in Authorised Share Capital of the Company.
3. Authorizing the Board of Directors for borrowings u/s 180(1)(c) of the Companies Act
4. Authorizing the Board of Directors for creating charge, hypothecation, mortgage or pledge on the assets of the Company.

The Annual General Meeting of the Company for the financial year 2015-16 was held on 13.09.2016 and the following Special Resolutions were passed:

1. Approval for borrowings from Banks / Financial Institutions by the Board of Directors of the Company not exceeding the limit of ₹12,067 crore.
2. Approval for creation of Mortgage/ charge on the assets of the Company for securing the borrowing from time to time up to a limit of ₹12,067 crore.

An Extra-Ordinary General Meeting of the Company was held on 26.09.2018 and the following Special Resolutions was passed:

1. Alteration of the Articles of Association of the Company for insertion of Clause 15A for Dematerialization of securities.

Disclosures

Related Party Transactions

During the year under review the Company did not enter into any contracts/arrangements/transactions with any Related Party which are not at arm's length basis and no material contracts/arrangements were entered into with them at an arm's length basis. No materially significant related party transactions were entered into that may have potential conflict with the interests of the Company at large. None of the Directors/KMPs of the Company were inter-se related as on 31.03.2019.

Other Disclosures

No penalties, strictures have been imposed on the Company by any Statutory Authorities on any matters relating to any guidelines issued by the Government during the year.

With regard to the details of administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase, it is stated that presently the Company being under construction phase, the entire expenditure incurred during the construction period is being transferred to the Capital Works-in-Progress and capitalized on commissioning of the respective assets. On completion of the project and after commissioning of the unit, the aforesaid expenditure would come under the ambit of revenue and for the purpose of comparison as stated above.

Means of Communication:

Financial statements are being reviewed by the Board represented by both the Promoters and hence requirement to send separate communication doesn't arise.

Project Location:

Coal based Thermal Power Project (3 X 660 MW) at Ghatampur Tehsil, Kanpur Nagar, in the State of Uttar Pradesh is under construction. Pachwara South Coal block at Dumka, Jharkhand has been allocated for the Ghatampur Thermal Power Project.

Audit Qualification:

It is always the Company's endeavour to present unqualified financial statement. The Audit Report for the year 2018-19 does not contain any audit qualifications.

Reporting of Internal Auditor:

The Internal Audit is being done by external firms of Chartered Accountants. Internal Audit reports containing periodical reports includes significant findings, if any, and the same is reviewed by the Audit Committee periodically.

Training of Board Members:

The Directors on the Board are fully aware of the business module of the Company. During the year 2018-19, no training programme was conducted for the Board members.

Whistle Blower Policy:

The Board of Directors in its 31st Meeting held on 04/05/2018 has approved the Whistle Blower Policy for the Company and quarterly report on the same in being reviewed by the Audit Committee.

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of the Secretarial Auditor.

For and on behalf of the Board of Directors

**Place: New Delhi
Date: 18.07.2019**

**RAKESH KUMAR
CHAIRMAN**

SETH & ASSOCIATES
Chartered Accountants

Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 2288287, 2287931 (O)
E- Mail- ashok@sethspro.com | Website – www.sethspro.com

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
Neyveli Uttar Pradesh Power Limited,

1. We have examined the compliance of conditions of Corporate Governance by Neyveli Uttar Pradesh Power Limited for the year ended 31st March 2019 as stipulated in the Guidelines of Corporate Governance specified by the Department of Public Enterprises (DPE) in respect of non-listed Central Public Sector Enterprises.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the guidelines notified by DPE. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the guidelines of Corporate Governance for CPSE's notified by DPE except for the following:
 - i. Clause 3.1.4 of the DPE guidelines on Corporate Governance stipulates that at least one-third of the Board Members should be Independent Directors, however the same has not been complied with.
 - ii. Clause 4.1.1 of the DPE guidelines on Corporate Governance stipulates that at least two-third of the Members of Audit Committee shall be Independent Directors, however the same have not been complied with.
 - iii. Clause 4.1.2 of the DPE guidelines on Corporate Governance stipulates that the Chairman of the Audit Committee shall be an Independent Director, however the same has not been complied with.
 - iv. Clause 4.4 of the DPE guidelines on Corporate Governance stipulates that the quorum for meeting of Audit Committee shall be either two members or one-third of the members of the Audit Committee whichever is greater, but a minimum of two Independent members must be present, however the same has not been complied with.

- v. Clause 5.1 of the DPE guidelines on Corporate Governance stipulates that the Remuneration Committee should be headed by an Independent Director, however the same has not been complied with.
4. 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.

**For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C**

**Place : Lucknow
Date : 10-May-2019**

**Ashok Seth (M.No 016730)
Partner**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019
[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 : U40300UP2012GOI053569
 ii) Registration Date : 09.11.2012
 iii) Name of the Company : NEYVELI UTTAR PRADESH POWER LIMITED
 iv) Category/Sub-Category of the Company : Government Company
 v) Address of the registered office and contact details:

Address	6/42, Vipul Khand, Gomti Nagar, Lucknow
Town / City	Lucknow
State	Uttar Pradesh
Pin Code:	226 010
Country Code	IN
Telephone Number	0522 -4951065
Fax Number	0522 -4951065
Email Address	cosec.nuppl@nlcindia.in

- vi) Whether listed company : No
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NSDL Database Management Limited.,
 4th Floor, 'A' Wing, Trade World,
 Kamala Mills Compound, Senapati Bapat Marg, Lower Parel,
 Mumbai- 400 013.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:- Not applicable. The Company is yet to commence commercial operation.

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	NLC India Limited (formerly Neyveli Lignite Corporation Limited) First Floor, No. 8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai – 600 031	L93090TN1956GOI003507	Holding Company	51%	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	904400000	904400000	100	1693036800	-	1693036800	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	904400000	904400000	100	1693036800	-	1693036800	100	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	904400000	904400000	100	1693036800	-	1693036800	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	-	-	-	-	-	-	-	-

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2. Non-Institutions									
(a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
(c) Others									
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	904400000	904400000	100	1693036800	-	1693036800	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			% change in share holding 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.	NLC India Limited	461244000	51	-	863448768	51	-	-
2.	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	443156000	49	-	829588032	49	-	-
	Total	904400000	100	-	1693036800	100	-	-

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

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	904400000	100	–	–
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	23.01.2019 (Right shares Allotment)	271320000		1175720000	100
	26.03.2019 (Right shares Allotment)	517316800		1693036800	100
3.	At the End of the year (As on 31.03.2019)	1693036800	100	1693036800	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NA
(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	–	–	–	–
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Not applicable			
3.	At the End of the year (As on 31.03.2019)	–	–	–	–

V. INDEBTNESS

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2018)				
i) Principal Amount	–	1000,00,00,000	–	1000,00,00,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	1000,00,00,000	–	1000,00,00,000
Change in Indebtedness during the financial year				
Addition				
i) Principal Amount	3198,36,11,794	340,00,00,000	–	3538,36,11,794
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–

Reduction				
i) Principal Amount	–	1340,00,00,000	–	1340,00,00,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Indebtedness at the end of the financial year (As on 31.03.2019)				
i) Principal Amount	3198,36,11,794	–	–	3198,36,11,794
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	3198,36,11,794	–	–	3198,36,11,794

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not applicable.
- B. Remuneration to other directors: Not applicable.
- C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel for the FY 2018-19					Total
		CEO Shri. Kaushal Kishore Anand	CFO Shri. S. R. Sivaprasad	CFO Shri. Ashok Kumar Mali	Company Secretary Shri. Ravi Kumar Suluva	Company Secretary Shri. Nikhil Kumar	
1.	Gross Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	38,71,422	13,62,002	16,35,819	1,04,802	13,26,532	83,00,577
	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–	–	–	–	–	–
	Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	–	–	–	–	–	–
2.	Stock Option	–	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–	–
4.	Commission as % of Profit Others, specify	–	–	–	–	–	–
5.	Others, (CPF Contribution, Pension etc.,)	6,37,892	1,96,372	2,59,990	20,237	2,08,890	13,23,381
	Total	45,09,314	15,58,374	18,95,809	1,25,039	15,35,422	96,23,958

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of Directors

Place : New Delhi
Date : 18.07.2019

RAKESH KUMAR
CHAIRMAN

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To,
The Members,
Neyveli Uttar Pradesh Power Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neyveli Uttar Pradesh Power Limited, CIN:U40300UP2012GOI053569** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(Not applicable to the Company during the Audit period)

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and the Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(Not applicable to the Company during the Audit period)

- 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;

(Not applicable to the Company during the Audit period)

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the Audit period)**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not applicable to the Company during the Audit period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(Not applicable to the Company during the Audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(Not applicable to the Company during the Audit period)

I further report that the following are other laws specifically applicable to the Company:

- a) The Coal Bearing Areas (Acquisition and Development) Act, 1957 and the Rules made there under.
- b) Coal Mines Regulations, 1957.
- c) The Electricity Act, 2003 and the Rules made there under.
- d) Indian Boiler Act, 1923 and the Regulations made there under.
- e) Explosives Act, 1884 and the Rules made there under.

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

I have also examined the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (Standards).
- (ii) Guidelines on Corporate Governance as issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises (DPE Guidelines).

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

1. The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.
2. The composition of the Audit Committee did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.
3. The requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.
4. In the absence of Independent Directors, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.
5. The requirement to have at least one Woman Director on its Board has not been complied with as per the provisions of the Act.

I further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance/ at a shorter notice as per the provisions of the Act/ Regulations 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 and other business which are not included in the agenda or circulated at a shorter notice were considered vide supplementary agenda with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that based on representations received from the officials/executives of the Company, 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:

- a. the Company has dematerialized the existing Equity shares held by the promoter companies in accordance with the provisions of the Depositories Act, 1996 and the regulations made there under.

- b. the Company has further issued 78,86,36,800 Equity shares of Rs.10/- each on Right basis to the promoter companies i.e NLC India Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited in the ratio of 51:49 respectively, for a consideration of Rs.10/- per share, in dematerialized form.

We further report that during the audit period, there were no instances of:

- (i) Public / preferential issue of Shares / Debentures / Sweat Equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

**For Dileep Dixit & Co.
Company Secretaries**

**Place : Lucknow
Date : 9th May, 2019**

**(Dileep Kumar Dixit)
FCS No. 6244
CP No. 6770**

Reply to the Secretarial Auditor's Observations

Secretarial Auditor's Observations (as per Sl. No. of the report)	Reply to the observations of Secretarial Auditor
1. The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.	The Company is a Government Company and the power to appoint Directors, including a woman Director on the Board of the Company, vests with the President of India. The Ministry of Coal (MOC), the Administrative Ministry has been apprised of the requirements for appointment of requisite number of Independent Directors and requested for taking necessary action. On appointment of required Directors on the Board, the requirements as applicable to the Company would be complied with.
2. The composition of the Audit Committee did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.	In the absence of Independent Directors (including a woman Director) on the Board as stated above, the requirements could not be complied with. On appointment of required Directors on the Board, the requirements as applicable to the Company would be complied with.
3. The requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.	
4. In the absence of Independent Directors, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.	
5. The requirement to have at least one Woman Director on its Board has not been complied with as per the provisions of the Act.	

For and on behalf of the Board of Directors

Place: New Delhi
Date: 18.07.2019

RAKESH KUMAR
CHAIRMAN

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NEYVELI UTTAR PRADESH POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of Neyveli Uttar Pradesh Power Limited for the year ended 31 March, 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10.05.2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Neyveli Uttar Pradesh Power Limited for the year ended 31 March, 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit noting significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Place : New Delhi

Dated : 24.06.2019

**(Nandana Munshi)
Director General of Commercial Audit &
Ex-officio Member,
Audit Board –III, New Delhi**

SETH & ASSOCIATES

Chartered Accountants

Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 2288287, 2287931 (O)
E- Mail- ashok@sethspro.com | Website – www.sethspro.com

INDEPENDENT AUDITOR'S REPORT

To

**The Members of Neyveli Uttar Pradesh Power Limited
Report on the Audit of Standalone Financial Statements**

Opinion

1. We have audited the accompanying financial statements of Neyveli Uttar Pradesh Power Limited ('the Company'), which comprises the Balance Sheet as at 31-Mar-2019 and the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

3. The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

4. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we give in the

“Annexure A” statement on matters specified in paragraph 3 & 4 of the order, to the extent applicable.

7. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and as per the information and explanations given to us, in the "Annexure B" on the directions issued by Comptroller and Auditor General of India.
8. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) Being a Government company, pursuant to Notification No. 463 ('E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Companies Act, 2013, are not applicable to the company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C**

Place : Lucknow

Date : 10-May-2019

**Ashok Seth (M.No 016730)
Partner**

ANNEXURE A- Report under the Companies (Auditor's Report) Order, 2016

Neyveli Uttar Pradesh Power Limited

Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- 1 a.) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1 b.) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- 1 c.) The title deeds of immoveable properties are held in the name of the company.
2. In our opinion, company is not engaged in trading or manufacturing activity, therefore the provisions of clause 3 (ii) of the Companies (Auditors Report) Order, 2016 are not applicable to the company.
3. As explained to us, the company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
4. The company has not made any loans, investments, guarantees and security under provisions of section 189 of the Companies Act 2013.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
6. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- 7 a.) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax & GST were in arrears, as at 31-Mar-2019 for a period of more than six months from the date they became payable.
- 7 b.) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.
8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
9. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument). However, the moneys were raised by way of term loans which were applied for the purposes for which those were raised.

10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
11. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company hence this clause is not applicable.
13. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C**

Place : Lucknow

Date : 10-May-2019

**Ashok Seth (M.No 016730)
Partner**

ANNEXURE-'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of Neyveli Uttar Pradesh Power Limited on the Ind AS financial Statements for the year ended 31-Mar-2019

DIRECTIONS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT,2013

Sl. No.	Directions	Reply	Impact on financial statement
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all accounting transactions through IT system. No accounting transactions were found recorded outside the IT system	NIL
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There was no restructuring of any existing loans or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company.	NIL
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Yes, the funds received for specific schemes from central/state agencies were properly accounted for/ utilized as per its terms and conditions.	NIL

**For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C**

Place : Lucknow

Date : 10-May-2019

**Ashok Seth (M.No 016730)
Partner**

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NEYVELI UTTAR PRADESH POWER LIMITED

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 Neyveli Uttar Pradesh Power Limited ('the Company') as of 31-Mar-2019 in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 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 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2019, based on the internal controls 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 Control over Financial reporting issued by the Institute of Chartered Accountants of India.

**For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C**

Place : Lucknow

Date : 10-May-2019

**Ashok Seth (M.No 016730)
Partner**

SETH & ASSOCIATES

Chartered Accountants

Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 2288287, 2287931 (O)
E- Mail- ashok@sethspro.com | Website – www.sethspro.com

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of Neyveli Uttar Pradesh Power Limited for the year ended 31-Mar-2019 in accordance with the directions/ sub directions issued by C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub directions issued to us.

**For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C**

Place : Lucknow

Date : 10-May-2019

**Ashok Seth (M.No 016730)
Partner**

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakh)

	Particulars	Notes	As at March 31, 2019	As at March 31, 2018
	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	2	26,804.51	23,313.05
	(b) Capital work-in-progress	3	4,98,834.45	1,24,661.95
	(c) Other Non Current Assets	4	42,357.86	67,971.25
			5,67,996.82	2,15,946.25
2	Current assets			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Cash and cash equivalents	5	3.15	1,189.98
	(ii) Bank Balances other than (i) above	6	20,871.26	6,983.20
	(iii) Other Financial Assets	7	45.93	18.65
	(c) Other current assets	8	943.31	1,184.56
			21,863.65	9,376.39
	Total Assets		5,89,860.47	2,25,322.64
	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	9	1,69,303.68	90,440.00
	(b) Other Equity	10	(228.61)	(200.21)
			1,69,075.07	90,239.79
2	LIABILITIES			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	3,19,836.11	-
			3,19,836.11	-
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	-	1,00,000.00
	(ii) Trade payables :—	13		
	(A) total outstanding dues of micro enterprises and small enterprises; and		375.08	175.04
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		97,460.10	34,075.73
	(b) Other current liabilities	14	3,114.11	832.08
			1,00,949.29	1,35,082.85
	Total Equity & Liabilities		5,89,860.47	2,25,322.64

Significant Accounting Policies 1

The Accompanying Notes 1 to 32 forms an integral part of the Financial Statements
For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

KAUSHAL KISHORE ANAND
CHIEF EXECUTIVE OFFICER

SHAJI JOHN
DIRECTOR

RAKESH KUMAR
CHAIRMAN

Place: Lucknow

Date: 10.05.2019

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

For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No. :016730
Place: Lucknow

Date: 10.05.2019

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

(₹ in Lakh)

	Particulars	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I	Revenue from Operations		-	-
II	Other Income	15	-	-
III	Total Income (I+II)		-	-
IV	EXPENSES			
	Employee benefit expenses	16	16.60	-
	Finance costs	17	-	-
	Depreciation and amortization expense	18	-	-
	Other expenses	19	11.80	-
IV	Total Expenses(IV)		28.40	-
V	Profit / (loss) before Tax & Rate Regulatory Activity (III-IV)		(28.40)	-
VI	Tax expense:			-
	(1) Current tax		-	-
	(2) Deferred tax		-	-
VII	Profit / (Loss) for the period before Regulatory Deferral Account Balances (VII - VIII)		(28.40)	-
VIII	Net Movement in Regulatory Deferral Account Balances Income / (Expenses)		-	-
IX	Profit / (loss) for the period (IX+X)		(28.40)	-
X	Other Comprehensive Income		-	-
XI	Total Comprehensive Income for the period (XI+XII) (Comprising Profit or (Loss) and other Comprehensive Income)		(28.40)	-
XII	Earnings per equity share (for continuing operations)::	20		
	(1) Basic (in ₹)		(0.00)	-
	(2) Diluted (in ₹)		(0.00)	-

The Accompanying Notes 1 to 32 forms an integral part of the Financial Statements

For and on behalf of the Board

NIKHIL KUMAR
 COMPANY SECRETARY

ASHOK KUMAR MALI
 CHIEF FINANCIAL OFFICER

KAUSHAL KISHORE ANAND
 CHIEF EXECUTIVE OFFICER

SHAJI JOHN
 DIRECTOR

RAKESH KUMAR
 CHAIRMAN

Place: Lucknow

Date: 10.05.2019

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

For, SETH & ASSOCIATES
 Chartered Accountants
 Firm Regn. No. : 001167C

CA ASHOK SETH
 Partner
 M. No. :016730
 Place: Lucknow

Date: 10.05.2019

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

A. Equity Share Capital

Description	As at 01.04.2018		Movement during the year		As at 31.03.2019	
	No of Shares	Equity Share Capital par Value (₹ In Lakh)	No of Shares	Equity Share Capital par Value (₹ In Lakh)	No of Shares	Equity Share Capital par Value (₹ In Lakh)
Equity Share Capital	90,44,00,000	90,440.00	78,86,36,800	78,863.68	1,69,30,36,800	1,69,303.68

Details of Movement in Equity Share Capital

Particulars	Date	No. of Shares	Amount (₹ in Lakh)
Allotment of Equity Shares	23.01.2019	27,13,20,000	27,132.00
Allotment of Equity Shares	26.03.2019	51,73,16,800	51,731.68
Total		78,86,36,800	78,863.68

B. Other Equity

(₹ in Lakh)

Description	Reserves and Surplus
	Retained Earnings
Balances as at 01.04.2018	(200.21)
Changes in accounting policy or prior period errors	-
Restated balance at the beginning of the reporting period	(200.21)
Total Comprehensive Income for the year	(28.40)
Dividend	-
Transfer to Retained Earning	-
Any other changes	-
Balance at 31.03.2019	(228.61)

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

KAUSHAL KISHORE ANAND
CHIEF EXECUTIVE OFFICER

SHAJI JOHN
DIRECTOR

RAKESH KUMAR
CHAIRMAN

Place: Lucknow

Date: 10.05.2019

This is the Statement of Changes in equity referred to in our report of even date.

For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No. :016730
Place: Lucknow

Date: 10.05.2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(28.40)	-
Less:		
Interest Income	-	-
Add:		
Depreciation	-	-
Interest expense	-	-
Operating Profit before working capital changes	(28.40)	-
Adjustments for :		
Trade payables & other current liabilities	1.31	-
Cash Flow generated from Operations	(27.09)	-
Direct Taxes paid	-	-
Cash Flow Before Extraordinary Items	(27.09)	-
Cash Flow from Extraordinary items	-	-
Net Cash from operating activities	(27.09)	-
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Asset and Capital Work-in-Progress	(2,65,081.23)	(86,964.48)
Net Term Deposits Opened	(13,888.06)	(4,072.59)
Interest Received on Fixed Deposits	422.73	140.30
Net Cash Used in investing activities (A)	(2,78,546.56)	(90,896.77)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan from NLCIL	(1,00,000.00)	94,000.00
Interest paid on Loan from NLC	(8,971.41)	(2,691.22)
Loan from PFC	1,69,500.00	-
Loan from REC	1,38,000.00	-
Interest paid on Loan from REC	(5.45)	-
Issue of Share Capital	78,863.68	-
Net Cash Received in financing Activities (B)	2,77,386.82	91,308.78
Net increase / (decrease) in Cash and Cash Equivalents	(1,186.83)	412.01
Cash and cash equivalents as at the beginning of the year	1,189.98	777.97
Cash and cash equivalents as at the end of the period	3.15	1,189.98
Details of Cash and Cash Equivalents :		
Particulars	As at March 31, 2019	As at March 31, 2018
Cash At Bank In Current Accounts	3.15	1,189.98
Cash At Bank In Deposit Accounts	-	-
Note: Indirect Method is followed for preparing cash flow statement.		
Total	3.15	1,189.98

For and on behalf of the Board

NIKHIL KUMAR
 COMPANY SECRETARY

ASHOK KUMAR MALI
 CHIEF FINANCIAL OFFICER

KAUSHAL KISHORE ANAND
 CHIEF EXECUTIVE OFFICER

SHAJI JOHN
 DIRECTOR

RAKESH KUMAR
 CHAIRMAN

Place: Lucknow

Date: 10.05.2019

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

For, SETH & ASSOCIATES
 Chartered Accountants
 Firm Regn. No. : 001167C

CA ASHOK SETH
 Partner
 M. No. :016730
 Place: Lucknow

Date: 10.05.2019

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2019.

Neyveli Uttar Pradesh Power Limited is a Joint Venture Company of NLC India Ltd and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited is a Government company registered under the erstwhile Companies Act, 1956 with its registered office at 6/42, Vipul Khand, Gomti Nagar, Lucknow – 226010, Uttar Pradesh.

Basis of Preparation:

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the Electricity Act, 2003.

The financial statements have been prepared on historical cost basis, except otherwise stated.

The Financial statements are prepared in Indian Rupees (₹) which is also the Company's functional currency. All amounts are rounded to the nearest Lakh, except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognised in the financial year in which the results are known or materialised.

1. Significant Accounting Policy

NUPPL in order to adopt the best practices in Accounting, made changes in Accounting Policies wherever required in line with Accounting Policies of Parent Company NLC India Limited. However, there is no material impact on account of this change.

I - Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation allocated incidental expenditure during construction / acquisition and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and / or restoration costs) is capitalized as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS 101, the company has availed the exemption where in the carrying value of the PPE as per Previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

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

Machinery spares

Initial spares purchased along with property, plant and equipment are capitalized and depreciated along with the asset.

Spare purchased subsequent to commissioning of the asset which meet the requirement set out in Ind AS 16 and costing ₹0.50 crore and above are treated as Property, Plant & Equipment

Land

Land for the power plant in Uttar Pradesh is acquired in accordance with and subject to the provisions of Land Acquisition Act, 1894 read with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

Land is capitalized with reference to the date of taking over the physical possession of land at the value of consideration paid.

Construction projects

Capitalisation and Depreciation

Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. Provisional take over date of the Turbo-generator pursuant to seventy-two hours full load operation is deemed as the date of commercial commissioning of the units. Depreciation charge commences from the date of commercial commissioning. Direct expenses and interest charges incurred during the test and trial run are capitalised and the revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

Depreciation / Amortization

Depreciation is provided on cost of the property, plant and equipment less their estimated residual values over their estimated useful lives and is recognized in the statement of profit and loss. Leases are depreciated over the shorter of the lease term, useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is provided for under straight-line method as indicated below: –

No.	Description of assets covered	Basis
i	Assets of thermal power stations, excluding vehicles other than ash tippers.	The Company follows the provisions of the Electricity Act 2003. The rates are prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
ii	Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013
	Non-residential buildings including roads	At higher of technically assessed rates/life or useful life prescribed in Schedule II to the Companies Act, 2013.
iii	Plant and machinery Workshop machinery pumps and civil construction machinery.	At higher of technically assessed rates/life or useful life prescribed in Schedule II to the Companies Act, 2013.

iv	Other Assets.	At useful life prescribed in Schedule II to the Companies Act, 2013
v	Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset
vi	Spares treated as PPE	Residual life of the parent asset
vii	Asset costing less than ₹5,000	Fully depreciated when the asset is ready to use

The Company depreciates Property, Plant and Equipment based on rates provided under Schedule-II of the Companies Act, 2013 or based on management estimate of useful lives which it deems fit to represent the useful life of each Property, Plant and Equipment.

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Company.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is be included in the Statement of Profit and Loss.

II - Intangible assets

Recognition and measurement

The Company recognizes an intangible asset and measures at cost if, and only if:

It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Research and development Cost - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognised as an intangible asset when the Company can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets - Other Intangible Assets including Computer software that are acquired by the Company for an amount more than ₹10 lakh and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and Subsequent Expenditure (Project development expenditure)	Over the residual life of the parent asset
Software costing more than ₹10 lakh	5 years

Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss.

III - Inventories

Inventories are valued at the lower of cost and net realizable value.

Stock Items	Basis
Coal	At weighted average acquisition cost
Stores and spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	NIL
Goods in Transit including goods received but pending inspection / acceptance	Cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IV - Prepaid Expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed ₹1 crore in each case.

V - Financial instruments

Non-derivative financial assets

Initial recognition and measurement

A financial asset are recognized at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold 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.

The Company's financial assets consist of staff advances, investment in bonds, trade receivables, etc.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount presented in the balance sheet when and only when the Company:

- currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

VI - Impairment

Financial Assets (including receivables)

Expected loss are measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit and Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

VII - 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. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Company opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz, in respect of financial assets and financial liabilities.

VIII - Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility studies, documentation of data, other development expenditure, expenditure on exploration works, technical knowhow etc. to be added to the capital cost of the project as and when implemented. In case such projects are identified for transfer of business by Govt. of India the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

IX - Government/Other Grants

Related to assets

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income.

Related to income

Grants related to income are those which are not related to assets.

Grants are recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or over the period during which the conditions related to the grant is fulfilled.

X - Current and non-current classification

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

An asset is current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle;

Held primarily for the purpose of trading;

Expected to be realized within 12 months after the reporting period; or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

Expected to be settled in normal operating cycle;

Held primarily for the purpose of trading;

Due to be settled within 12 months after the reporting period; or

No unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

XI - Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation are estimated reliably. Short term employee benefits comprises of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as the related service are provided.

Contributions towards Gratuity, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the Guidelines issued by Department of Public Enterprises. Contribution towards Provident Fund and Gratuity is recognised as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

Contribution towards Post-Retirement Medical Benefit Scheme comprising of fixed amount of annual assistance (PRMA) in respect of employees retired prior to 1st January 2007 and Premium towards Post-Retirement Medical Insurance (PRMI) are treated as Defined Contribution Plans.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognized immediately in profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

XII. Allocation of common charges

As per allocation provided by our holding company NLCIL.

XIII- Prior Period items, Accounting Estimates and Effect of changes in Accounting Policy.

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of changes in accounting estimates are recognized prospectively in the statement of profit and loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XIV - Events occurring after the balance sheet date

Events of material nature occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

XV - Revenue recognition

Sale of Power generated by Thermal Power Stations

Sale of power is accounted for by following Electricity Act, 2003, where the Tariff rates are approved by the Central Electricity Regulatory Commission Constituted under Electricity Act, 2003.

The company adopts the tariff rate as approved by CERC for the sale of power subject however to the cost of lignite/coal considered for tariff as determined in accordance with guidelines issued by Ministry of Coal.

However, the order of CERC when contested sale of power continues to be accounted as per petition filled based on the guidelines issued by CERC/Ministry of Coal pending disposal of Appeal by APTEL.

In case of power stations where the Tariff rates are yet to be approved, provisional tariff rates calculated on the basis of Ministry of Coal guidelines on lignite/coal transfer price for energy charges and other relevant CERC norms and parameters for capacity charges are adopted.

Revenue from sale of un-requisitioned surplus power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries is net off any gain arising from such sale.

Other Income:

Interest income

Interest income with respect to advances provided to employees is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognized in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognized in the period in which there is acceptance of the claim / certainty of realization, as the case may be.

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognized based on agreement with beneficiaries. On renewable power the same is recognized based on realization / certainty of realization.

XVI- Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in profit and loss in the period in which they arise.

The Company has availed the exemption provided under Ind AS from recognising in the Statement of Profit and Loss the exchange difference arising on translation of long-term foreign currency monetary items recognised in the financial statements prior to 31st March, 2016 as per the previous GAAP and continues to capitalise the same.

XVII. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria(s) set out in Ind AS 12 are met.

XVIII - Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long-term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed.

All other borrowing costs are expensed in the year in which they occur.

XIX - Leases

Finance lease

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Operating leases

Assets held under other leases are classified as operating leases and the lease rentals are recognized as expenses in the Statement of Profit and Loss on a straight-line basis.

XX - Provisions and Contingent Liability

Recognition and measurement

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XXI - Cash and cash equivalents

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

XXII - Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXIII - Operating segments

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

The operating segments have been identified on the basis of the nature of products / services.

XXIV - Regulatory Deferral Accounts

The tariffs for the sale of power are approved by the Central Electricity Regulatory Commission constituted under the Electricity Act, 2003. However, the orders of CERC when contested, sale of power continued to be accounted as per petition filed based on the guidelines issued by CERC / Ministry of Coal pending disposal of appeal by APTEL. In cases where the rates are not yet approved, the Company recognizes revenue based on provisional tariff rates.

The expense/ income that will be recovered/ refunded from/ to the beneficiaries are recognised as 'Regulatory Deferral Account Balances' (i.e. consisting of regulatory deferral debit balances and regulatory deferral credit balances). Relevant income / expenses are recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations / other Guidelines. Regulatory Deferral Account Balances are also recognised in respect of items within the tariff fixation norms, which are subject to approval by CERC at the end of Tariff Period. Regulatory Deferral Account Balances are presented as separate line items in the Balance Sheet. The movement in the regulatory deferral account balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2019.
2 Property, Plant and Equipment
(₹ in Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2018	Additions / Transfers	Deletions/ Transfer/ Adjst	As at 31.03.2019	As at 01.04.2018	Withdrawals / Transfers/ Adjst	For the Period	As at 31.03.2019	As at 31.03.2019	As at 01.04.2018
Land	23,169.18	1,820.33	-	24,989.51	-	-	-	-	24,989.51	23,169.18
Buildings	67.72	1,632.73	-	1,700.45	5.36	-	96.71	102.07	1,598.38	62.36
Computers & Peripherals	34.15	12.44	-	46.59	11.25	-	11.74	22.99	23.60	22.90
Office Equipments	16.63	36.22	-	52.85	2.38	-	8.99	11.37	41.48	14.25
Furniture & Fixtures	48.29	80.61	-	128.90	7.97	-	8.54	16.51	112.39	40.32
Electrical Equipments	5.83	39.45	-	45.28	1.79	-	4.34	6.13	39.15	4.04
Asset costing ₹5000 & below	1.84	-	-	1.84	1.84	-	-	1.84	-	-
Total	23,343.64	3,621.78	-	26,965.42	30.59	-	130.32	160.91	26,804.51	23,313.05

There is no impairment loss identified for the assets

NON-CURRENT ASSETS
3 Capital work-in-progress
(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Supply & Erection	418,146.98	82,878.61
Capital Goods In Stock	-	28.75
Expenditure During Construction	48,402.73	35,916.80
Interest	24,028.49	2,696.76
Expenditure attributable to CWIP	8,256.25	3,141.03
	498,834.45	124,661.95

4 Other Non Current Assets
(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	42,357.86	67,971.25
	42,357.86	67,971.25

CURRENT ASSETS
Financial Assets
5 Cash and cash equivalents
(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Scheduled Banks in Current A/c	3.15	1,189.98
	3.15	1,189.98

6 Other Bank Balances (₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Deposit with Schedule Banks		
Margin for Bank Guarantee & Letter of Credit	9,271.55	6,983.20
Multi Option Deposit (MOD)	11,599.71	-
	20,871.26	6,983.20

7 Other Financial Assets (₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Interest Accrued on Fixed Deposits	45.93	18.65
	45.93	18.65

8 Other current assets (₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Advance Other Than Capital Advance		
Income Tax Refundable	564.51	491.57
Advance to Employees	217.15	28.14
Security Deposits	1.63	0.03
Escrow with RITES Ltd	12.65	-
Other Current Assets	147.37	664.82
	943.31	1,184.56

EQUITY

9 Equity Share Capital (₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Authorised, Issued, Subscribed and Paid-Up Share Capital		
Authorized:		
500,00,00,000 Equity Shares of ₹10/- each	500,000.00	500,000.00
	500,000.00	500,000.00
Issued, Subscribed & Paid-up:		
1,69,30,36,800 Equity shares of ₹10 each fully paid (Previous year 90,44,00,000 Equity Shares of ₹10/- each fully paid up)	169,303.68	90,440.00
(86,34,48,768 Equity shares being 51% (previous year 46,12,44,000 Equity Shares being 51%) are being held by NLC India Limited)		
	169,303.68	90,440.00

The Equity shares are the only class share capital having a par value of ₹10 per share
 The Equity shares carry voting rights, proportionate to the paid up value per share

Details of Shareholders Holding More Than 5% Equity Shares in the Company

Particulars	No. of Shares		% in Shareholding	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
NLC India Limited	863,448,768	461,244,000	51%	51%
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	829,588,032	443,156,000	49%	49%
	1,693,036,800	904,400,000	100%	100%

10 Other Equity

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	(228.61)	(200.21)
	(228.61)	(200.21)
<u>Retained Earnings</u>		
Opening Balance	(200.21)	(200.21)
Addition during the year	(28.40)	-
i) Retained Earning available for Appropriation	(228.61)	(200.21)
Less: Appropriations	-	-
Other Comprehensive Income	-	-
Closing Balance	(228.61)	(200.21)

NON-CURRENT LIABILITIES
11 Financial Liabilities
Borrowings

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Loans		
Term Loans		
Power Finance Corporation Limited	178,148.26	-
Rural Electrification Corporation Limited	141,687.85	-
	319,836.11	-

Rupee Term Loan of ₹5,588.84 crore is tied up with Power Finance Corporation Ltd and ₹5,478.16 crore is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. The loan is secured by pari passu charge on NUPPL Project Assets, repayable on 20 equal Half Yearly installments. The first installment will become due on 15-July-2024 and the subsequent installment will become due for payment on 15th Jan & 15th July every year.

CURRENT LIABILITIES
Financial Liabilities
12 Borrowings

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured Term Loan from Related Party		
Bridge Loan from NLC India Limited	-	100,000.00
	-	100,000.00

13 Trade payables (₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Total outstanding dues of micro enterprises and small enterprises; and*	375.08	175.04
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.**	97,460.10	34,075.73
	97,835.18	34,250.77

*includes interest due thereon, which is NIL

** includes amount payable to NLC India Limited ₹ 881.48 Lakh

14 Other current liabilities (₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Dues	2,289.22	665.78
Other liabilities	824.89	166.30
	3,114.11	832.08

REVENUE

15 Other Income (₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest	521.17	151.69
(b) Miscellaneous	53.05	4.28
	574.22	155.97
Less: Transferred to Capital Work-In-Progress	574.22	155.97
Transferred to Statement of Profit & Loss	-	-

EXPENSES

16 Employee benefit expenses (₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages and Incentives	2,031.17	2,244.26
Contribution to Provident and other funds	314.45	141.82
Gratuity	14.03	134.16
Welfare expenses	79.83	13.47
	2,439.48	2,533.71
Less: Transferred to Capital Work-In-Progress	2,422.88	2,533.71
Transferred to Statement of Profit & Loss	16.60	-

17 Finance Cost (₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Loan		
a) Loan from Power Finance Corporation Ltd.	8,648.26	–
b) Loan from Rural Electrification Corporation Ltd.	3,693.31	–
c) Loan from NLC India Ltd.	8,990.17	2,691.22
	21,331.74	2,691.22
Less: Transferred to Capital Work-In-Progress	21,331.74	2,691.22
Transferred to Statement of Profit & Loss	–	–

18 Depreciation and amortization expense (₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Property , Plant & Equipment.	130.32	17.86
	130.32	17.86
Less: Transferred to Capital Work-In-Progress	130.32	17.86
Transferred to Statement of Profit & Loss	–	–

19 Other expenses (₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	7.02	2.75
Consultancy/Technical Know-How Fee	1,283.99	3.94
Travelling & Conveyance Expenses	347.20	347.65
Electricity Expense	705.02	8.88
Advertisement Expenses	38.36	1.10
Audit Fees	0.94	0.84
CSR Expenses	191.03	0.38
Repairs and Maintenance	409.45	400.27
Miscellaneous Expenses	151.25	812.56
Other Taxes, Duties & License Fee	13.73	3.50
	3,147.99	1,581.88
Less: Transferred to Capital Work-In-Progress	3,136.19	1,581.88
Transferred to Statement of Profit & Loss	11.80	–

20 Earnings per equity share (₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after Tax (₹ in Lakh)	(28.40)	–
Weighted Average No. of Shares	963,451,125	904,400,000
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	(0.00)	–

21 Expenditure in Foreign Currency:

(₹ In Lakh)

	Particulars	FY 2018-19	FY 2017-18
i	Consultancy	18.12	19.40
ii	Employee Tour Abroad	7.92	2.79
	Total	26.04	22.19

22 C.I.F. Value of Imports

(₹ In Lakh)

	Particulars	FY 2018-19	FY 2017-18
i.	Capital Goods	16,740.05	657.55
	Total	16,740.05	657.55

23 Land:

- A) The company is already in possession of private land 730.943 ha. for which mutation has been completed in full. Total Govt. land acquired and in possession by NUPPL is 60.667 ha. out of which 44.049 ha of land payment has been made and mutation is completed. Regarding balance 16.618 ha. of land which comes under reserved category has to be compensated by exchange of NUPPL land to UP Govt. is under progress with revenue department.
- B) Also, for the unnotified left out pocket of land area measuring 52.33ha. consent letter from land owners obtained for 42.7103 ha. out of which final award by UP administrative department made is 42.00205 ha. Balance 9.6197 ha. consent from land owners is under process. As on 31.3.2019, out of the left out Pocket land of 52.33 ha. Land measuring 36.9953 ha. have been acquired and is in possession of the company and mutation have been completed for 31.0209 ha.
- C) Out of 181.4324 hectares of railway siding land, Consent letter have been received for 125.5607 ha. inclusive of Govt. Land 9.5899 hectares. Out of Govt. Land 8.1663 hectares is falling under unreserved category for which resumption process is under progress and 1.4236 hectares belongs to reserved category towards which exchange process is under progress. Out of 115.9708 (125.5607 – 9.5899) hectares Private land for which consent has been received, final award by UP administrative department made is 74.9226 hectares. Balance 55.8717 (181.4324-125.5607) hectares of Private Land, consent from land owners is under process. As on 31.3.2019, out of the private land under railway siding, Land measuring 25.7283 ha. have been acquired and is in possession of the company and mutation have been completed for 12.0507 hectares.

24 Loan tie Up with Bankers/FI and NLCIL:

Against the 70% loan tie up for the project amounting to ₹12067 crore, funding was tied up with PFC and REC for ₹11067 crore and a short-term funding arrangement of ₹1000 crore was entered with NLCIL. The loan previously tied-up with Bank of India (₹1000 crore) were cancelled as the terms of sanction were not as per our LOA/Tender condition. Total Loan drawn as on 31.03.2019 was ₹3198.36 crore. (PFC- ₹1781.48 crore, REC - ₹1416.88 crore and NLCIL- NIL). However, alternate sources of funding for ₹ 1,000 crore is being explored.

25 Bank Guarantees:

As on 31.03.2019 the following Bank Guarantees issued as per details below:

₹ in Lakh

Sl. No.	BG No.	Date	Banker Name	In Favour of	Value of BG	Validity of BG	Security given to Bank
i	0506917BG0000096	09.03.2017	SBI	Ministry of Coal	2910.60	08.05.2019	term deposit
ii	0506917BG0000473	28.11.2017	SBI	UP Pollution Control Board	10.00	27.11.2022	term deposit
iii	0506918BG0000110	21.03.2018	SBI	NHAI	205.50	31.08.2019	term deposit
				Total	3126.10		

26 CSR Expenditure:

As per specific condition A, Clause V, of the environment clearance given by Ministry of Environment, Forest and Climate Change, GoI dated 17.06.2015, ₹68.95 crore (i.e. 0.40% of project sanction cost of ₹17,237.80 crore) needs to be spent by NUPPL, during construction period towards Capital cost of CSR activities and ₹13.79 crores (0.08% of project sanction cost of ₹17,237.80 crore) as recurring cost per annum till operation of the Ghatampur Thermal Power Plant. CSR Expenditure during the year is as follows:

₹ in Lakh

Expenditure	For the year ended March 31, 2019	For the year ended March 31, 2018
Education & Scholarship	4.52	-
Electricity including Solar & Non-conventional energy	12.31	-
Medical-health & Family welfare	35.51	-
Safe Drinking Water supply	82.51	-
Sanitation & Other basic amenities	12.41	-
Vocational Skill development	6.06	-
Construction of School, Library & Hostel	33.14	-
Others	4.57	0.38
Total	191.03	0.38

27 Unadjusted advances with contractors ₹ 42,357.86 Lakh
28 Claims not acknowledged as Debts:
A. Contingent Liabilities

Particulars	As at 31.03.2018	Addition	Withdrawal	As at 31.03.2019
Contingent Liabilities - Nature/Description	0	0	0	0

B. Estimated amount of contracts remaining to be executed, not provided in accounts ₹5,58,278 Lakh
29 Disclosures:
A. Adoption of Ind AS

The company is in project execution stage and all expenses / income are routed through construction account (CWIP) in Balance Sheet.

The Financial statement has already been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules 2015 and Electricity Act 2003 to the extent applicable from FY 2016-17.

The Financial Statements are in compliance with Ind AS.

Reconciliations of its equity reported in accordance with Ind AS are indicated in schedule of changes in equity A & B.

B. Employee Defined Benefits and contribution plans:

- i) The following reimbursement of expenditures on account of defined benefits and contributions were made to NLCIL.

Particulars	₹ in Lakh	
	31.03.2019	31.03.2018
Gratuity	14.03	134.16
PF	148.46	63.38
Pension	119.93	56.59
PRMA	46.06	21.83

C. Impact of Changes in Significant Accounting Policies during the year 2018-19

NUPPL in order to adopt the best practices in Accounting, made changes in Accounting Policies wherever required in line with Accounting Policies of Parent Company NLC India Limited.

However, there are no material impact in Financial Statements on account of the above change.

D. Confirmation of Vendor Balances / Reconciliation

- i) During the year 2018-19, reconciliation of Balances were done in respect of the major Package Contractors and letter for confirmation of balances received.
- ii) Loan balances with PFC & REC are also reconciled as on 31-03-2019.
- iii) As on 31st March 2019, there were no pending deposits with the Customs & Excise/Income Tax Authorities/State Revenue Department.

E. Physical Verification of Assets

During the year 2018-19, Physical verification of Fixed Assets were carried out by committee of executives at GTPS site and no material discrepancies were noticed.

30. Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:

The following are the transactions with the holding company NLCIL.

Standing funding arrangement with NLCIL

- Due to delay in disbursement of loan by the lending agencies, a standing funding arrangement of ₹ 1000 crore by NLCIL to fund the Project during exigencies was approved in the 18th Meeting of Audit Committee. Accordingly on during the year 2017-18, ₹1,000 crore loan was drawn from NLCIL and the same was repaid in full during the year 2018-19. As on 31.03.2019, Loan Outstanding with NLCIL is NIL.

Other activities:

- NLCIL carries out all tendering activities on behalf of NUPPL. The expenses like tender publication charges are reimbursed by NUPPL.
- NLCIL employees are transferred to NUPPL. All the employee cost is borne by the NUPPL only.
- NUPPL have not commenced commercial production. NLCIL is only providing support by assisting it in meeting some expenses which are of routine nature.
- The various departments in NLCIL like PSE, PBD, Computer Services, Finance & Accounts and Contracts, etc are extending their services towards the establishment of the Project. In view of these services for the financial year 2018-19, ₹12.72 crore expenditure is booked in NUPPL books during the year 2018-19.
- The above transactions can be considered to be in the normal course of the business of the company.

i) List of related parties: (a) Key Management Personnel:

Chairman Shri. Rakesh Kumar (From 16.08.2018) Shri. Sarat Kumar Acharya (Relinquished w.e.f. 01.08.2018)	Directors Shri. Bidya Sagar Tiwari Shri. Subir Chakravorty Shri. Ashish Upadhyaya Shri. Narender Kumar Singh Shri. Rakesh Kumar Shri. Nadella Naga Maheswar Rao Shri. V. Thangapandian
Shri. Kaushal Kishore Anand, Chief Executive Officer Shri. S.R. Sivaprasad, Chief Financial Officer (Relinquished w.e.f 16.08.2018) Shri. Ashok Kumar Mali, Chief Financial Officer (From 16.08.2018) Shri. Ravi Kumar Suluva, Company Secretary (Relinquished w.e.f 01.05.2018) Shri. Nikhil Kumar, Company Secretary, (From 04.05.2018)	

ii) Transactions during the year with related parties:

- (a) Remuneration to Directors listed in (i) above: NIL
- (b) Salary to other than Directors listed in (i) above:
- | | | |
|----------------|---|-------------|
| Gross Salary | - | ₹83.01 Lakh |
| Other Benefits | - | ₹13.23 Lakh |

31. Recent Accounting Pronouncements

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of Office premises. The nature of expenses related to those leases will now change because the Company will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

No significant impact is expected for the Company's finance leases.

ii. Leases in which the Company is a lessor

No significant impact is expected for leases in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

32. Figures of the Previous years have been regrouped wherever necessary.



NEYVELI UTTAR PRADESH POWER LIMITED

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