

**Independent Auditors' Report
To The Members of Hindusthan Vidyut Corporation Limited**

Report on Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **HINDUSTHAN VIDYUT CORPORATION LIMITED** ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of cash flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements")

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof.

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

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order Issued under Section 143(11) of the Act.

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

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



that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Basis for Qualified Opinion

We refer to note no.13 regarding the present status of Barsingsar power project being implemented by the Company. The Implementation Agreement was made ineffective by the Government of Rajasthan. The matter was referred to arbitration which vide its order dated 2nd January, 2007 awarded a sum of Rs. 1140.33 lakhs to the Company. The Government of Rajasthan had filed objections with District Judge, Jaipur which is rejected and arbitration award has been upheld by the court. Government of Rajasthan has filed an appeal with Hon'ble High Court of Rajasthan at Jaipur. The matter being under litigation, we are unable to comment on the realisation of the project expenditure pending allocation amounting to Rs. 1,184.99 lakhs (Including Rs. 35.86 lakhs relating to Bina project, transferred to the Company in earlier year as part of overall growth strategy of the Company).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion Paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements;
 - b) In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion Paragraph above, 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) In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion Paragraph above, the aforesaid financial statements comply with the Accounting




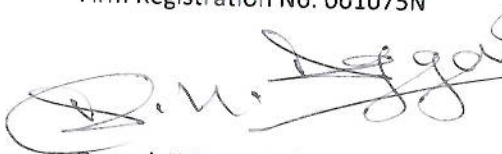
standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof;

- d) The Balance Sheet, and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- h) 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 has disclosed the impact of pending litigations which would impact its financial statements-Refer Note 13 to the financial statements;
 - ii. The Company has no material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

For NSBP & Co.

Chartered Accountants

Firm Registration No. 001075N



Deepak K Aggarwal

Partner

Membership No. 095541

Place: New Delhi

Date: July 25, 2018

ANNEXURE A to the Independent Auditor's Report to the members of Hindusthan Vidyut Corporation Limited dated July 25, 2018.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancy was noticed on such verification.
- (c) The Company does not have any immovable property, this clause is not applicable.
- (ii) According to the information and explanation given to us and the records examined by us, the company is not having any inventory, therefore the provisions of clause 3 (ii) of the said Order is not applicable to the company.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, this clause is not applicable.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees or securities, wherever transacted and applicable.
- (v) The Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Therefore, the provision is not applicable.
- (vii) (a) According to the information and explanation given to us and the record of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, service tax, goods and service tax, custom duty, excise duty, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the record of the Company examined by us, there are no dues of income tax, goods and service tax, sales tax, service tax or good and service tax, duty of custom or duty of excise and value added tax which have not been deposited on account of any dispute.
- (viii) As the Company does not have any borrowing from any government, financial institution, bank nor has it issued any debentures as at the balance sheet date, the provision of clause 3 (viii) of the Order are not applicable to the Company.



(ix) Based on the information and explanation given by the management, the Company has not raised any monies by way of initial public offer or further public offer or and term loan during the financial year. Accordingly, the provision of clause 3 (ix) of the Order are not applicable to the Company.

(x) In our opinion and on the basis of the information and explanation given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to information and explanations given to us, the Company has not paid or provided for managerial remuneration during the year, hence the provisions of section 197 of the Act and the reporting requirements of the Order are not applicable.

(xii) The Company is not a Nidhi Company and therefore, the provisions of clause 3 (xii) of the said Order are not applicable to the Company.

(xiii) As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related party's transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained, as per records and details made available to us such related parties transactions have been disclosed in financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year in terms of provisions of Section 42 of the Act.


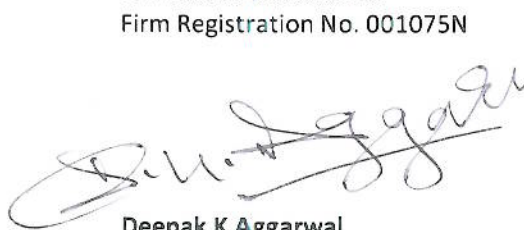
(xv) On the basis of records made available to us and according to information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 as the provision of section is not applicable to the Company.

For NSBP & Co.

Chartered Accountants

Firm Registration No. 001075N



Deepak K Aggarwal

Partner

Membership No. 095541

Place: New Delhi

Date: July 25, 2018

Annexure B: to the Independent Auditor's Report to the members of Hindusthan Vidyut Corporation Limited dated July 25, 2018.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 (f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **HINDUSTHAN VIDYUT CORPORATION LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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


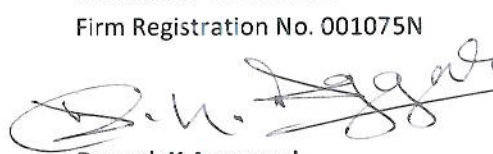
Opinion

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

For NSBP & Co.

Chartered Accountants

Firm Registration No. 001075N



Deepak K Aggarwal

Partner

Membership No. 095541

Place: New Delhi

Date: July 25, 2018

Hindusthan Vidyut Corporation Limited
Balance Sheet as at 31 March 2018

Amount in ₹

PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	16,366	22,146
Capital work-in-progress	2A	118,499,527	118,409,831
Total Non - Current Assets		118,515,893	118,431,977
Current assets			
Financial Assets			
- Cash and cash equivalents	3	60,478	122,212
- Other financial assets	4	1,000,000	1,000,000
Other current assets	5	1,502,700	1,500,000
Total Current Assets		2,563,178	2,622,212
Total Assets		121,079,071	121,054,189
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	6	14,015,200	14,015,200
Total equity		14,015,200	14,015,200
LIABILITIES			
Current liabilities			
Financial Liabilities			
- Other financial liabilities	7	107,063,871	107,038,989
Total Current Liabilities		107,063,871	107,038,989
Total liabilities		107,063,871	107,038,989
Total Equity & Liabilities		121,079,071	121,054,189

The accompanying Notes form an integral part of these Financial Statements


1-23

As per our report of even date

For NSBP & Co.

Chartered Accountants

Firm Registration No.001075N


Deepak K Aggarwal
Partner

Membership No: 095541

Place: New Delhi

Date: The 25th day of July, 2018



For and on behalf of the Board of Directors


K. RUNGTA

Director

DIN No. 02512399

Place: Kolkata
Date: 25-07-2018


R. P. MODY

Director

DIN No. 00140503

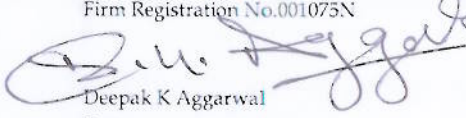
Place: Kolkata
Date: 25-07-2018

Cash Flow statement for the year ended 31st March 2018

Amount in ₹

Sl No.	Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	-	-
	Adjustment for :		
	Depreciation/amortization	-	-
	Interest on TDS	-	-
	Operating profit before working capital changes		
	Movements in working capital :		
	Increase/(decrease) in trade payables	-	-
	Increase/(decrease) in other current liabilities	24,882	(225)
	Decrease/(increase) in trade receivables	-	-
	Decrease/(increase) in inventories	-	-
	Decrease / (increase) in other current assets	(2,700.00)	-
	Cash generated from / (used in) operations	22,182.00	(225)
	Less: Direct taxes paid (net of refunds)	-	-
	Net cash flow from/ (used in) Operating Activities (A)	22,182.00	(225)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Capital work in Progress	(83,916)	(45,175)
	Net cash flow from/ (used in) Investing Activities (B)	(83,916)	(45,175)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Issue of share capital	-	-
	Net Proceeds from Long term borrowing	-	-
	Interest paid	-	-
	Net cash flow from/ (used in) in Financing Activities (C)	-	-
	Net increase/ (decrease) in Cash and Cash Equivalents (A + B + C)	(61,734)	(45,400)
	Cash and Cash Equivalents at the beginning of the year	122,212	167,612
	Cash and Cash Equivalents at the end of the year	60,478	122,212


As per our report of even date
For NSBP & Co.
Chartered Accountants
Firm Registration No.001075N


Deepak K Aggarwal
Partner
Membership No: 095541
Place: New Delhi
Date: The 25th day of July, 2018



For and on behalf of the Board of Directors


K. RUNGTA
Director
DIN No. 02512399
Place: Kolkata
Date: 25.07.2018


R. P. MODY
Director
DIN No. 00140503
Place: Kolkata
Date: 25.07.2018

Statement of Changes in Equity for the year ended 31 March 2018

A. Equity Share Capital

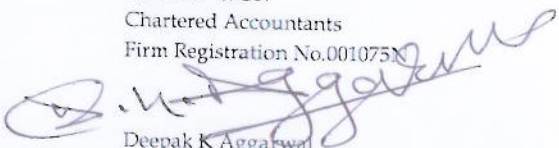
	Amount in ₹
As at 31 March 2017	14,015,200
Changes in equity share capital	
As at 31 March 2018	14,015,200

B. Other Equity

PARTICULARS	Reserves and Surplus		
	Retained earnings	General Reserves	Total
Balance at 1 April 2016	-	-	-
Profit for the year	-	-	-
Balance at 31 March 2017	-	-	-
Profit for the year	-	-	-
Balance at 31 March 2018	-	-	-

The accompanying Notes form an integral part of these Financial Statements 1-23
 The above statement of changes in equity should be read in conjunction with the accompanying notes

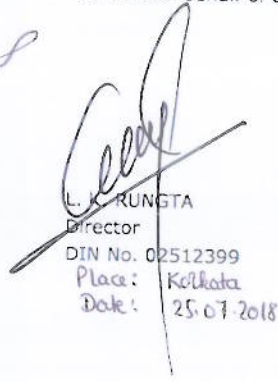
As per our report of even date
 For NSBP & Co.
 Chartered Accountants
 Firm Registration No.001075N



Deepak K Aggarwal
 Partner
 Membership No: 095541
 Place: New Delhi
 Date: The 25th day of July, 2018



For and on behalf of the Board of Directors



L. K. RUNGTA
 Director
 DIN No. 02512399
 Place: Kolkata
 Date: 25.07.2018



R. P. MODY
 Director
 DIN No. 00140503
 Place: Kolkata
 Date: 25.07.2018

Hindusthan Vidyut Corporation Limited
Notes on Financial Statements for the Year ended 31st March, 2018

Note 1

Corporate Overview

The Company was formed for setting up a power plant. The Company has not yet commenced any business activities. The registered office of the Company is situated at 27, Sir R N Mukherjee Road, Kolkata - 700 001.

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013

1.1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

The Financial Statements are presented in Indian Rupees except otherwise stated.

1.2 Use of estimates

The Preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and reported amount of revenue and expense during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized.

1.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c Level 3: Inputs for the asset or liability which are not based on observable market data.

1.4 Revenue Recognition

Items of Income/Expenditure are recognised on accrual basis, except specifically stated otherwise.

1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses



1.6 Provision For Income Tax

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

1.7 Impairment of Tangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

1.8 Provisions, Contingencies and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made, of the amount of obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

1.9 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.



Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

1.10 Figures for Previous year have been rearranged and/or regrouped wherever considered necessary.



Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2018

Note 2 Property, Plant and Equipment

Amount in ₹

Gross Block	Computers & office Equipments	Total
As at 1st April 2016	33,706	33,706
Additions	-	-
Disposals	-	-
As at 31st March 2017	33,706	33,706
Additions	-	-
Disposals	-	-
As at 31st March 2018	33,706	33,706
Accumulated Depreciation		
As at 1st April 2016	5,780	5,780
Additions	5,780	5,780
Disposals	-	-
As at 31st March 2017	11,560	11,560
Additions	5,780	5,780
Disposals	-	-
As at 31st March 2018	17,340	17,340
Net carrying amount as at 31 March 2018	16,366	16,366
Net carrying amount as at 31st March 2017	22,146	22,146



Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2018

Note 2A Capital Work In Progress

			Amount in ₹
CAPITAL WORK IN PROGRESS-PREOPERATIVE EXPENDITURE PENDING ALLOCATION	As at March 31, 2018	For the Year 2017-18	As at March 31, 2017
Advertisement & Publicity	370,732		370,732
Auditors' Remuneration	265,832	15,000	250,832
Bank Charges	30,049	-	30,049
Bank Guarantee Commission	11,226,665		11,226,665
Books & Periodicals	871,228		871,228
Custom Duty Paid	18,500		18,500
Depreciation	5,515,264	5,780	5,509,484
Directors' Sitting Fees	237,000	12,000	225,000
Fees & Subscription	21,263,406	-	21,263,406
Filing Fee	508,998		508,998
General Charges	787,172	51,666	735,506
Insurance Premium	172,879		172,879
Interest on Loan	406,882		406,882
Legal & Professional Charges	1,148,753		1,148,753
Loss on discard of fixed assets	1,729,188		1,729,188
Postage & Telegram	270,019		270,019
Power, Fuel & Water	2,454,545		2,454,545
Rent, Rates & Taxes	12,105,961	4,800	12,101,161
Repair & Maintenance	3,975,478		3,975,478
Stationery & Printing	996,363		996,363
Salaries & Welfare	25,069,009		25,069,009
Service Tax Paid	105,645	450	105,195
Travelling & Conveyance	20,109,408		20,109,408
Telephone & Trunkcall	5,662,169		5,662,169
Vehicle Upkeep	3,036,667		3,036,667
Preliminary Expenses Written off	165,175		165,175
Liability no longer required writtenback	(3,460)		(3,460)
	<u>118,499,527</u>	<u>89,696</u>	<u>118,409,831</u>



Note 3 Cash and Cash Equivalents

Amount in ₹

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
(a) Balances with banks		
In Current Account	58,425	1,17,425
(b) Cash in hand	2,053	4,787
Total Cash and Cash Equivalents	60,478	1,22,212

Note 4 Other Financial Assets

Amount in ₹

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good -Security Deposits	10,00,000	10,00,000
Total	10,00,000	10,00,000

Note 5 Other Current Assets

Amount in ₹

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Security Deposits	15,00,000	15,00,000
Duties & Taxes	2,700	-
Total	15,02,700	15,00,000



Note 6 Equity Share Capital

Authorised Share Capital

At 1st April 2016 (2,00,00,000 Nos. Equity shares of Rs. 10 each)
 Increase/(decrease) during the year
 At 31st March 2017
 Increase/(decrease) during the year
 At 31st March 2018

Equity Shares	
No. of Shares	₹
2,00,00,000	20,00,00,000
-	-
2,00,00,000	20,00,00,000
-	-
2,00,00,000	20,00,00,000

Issued, Subscribed & Paid-up Capital

At 1st April 2016 (14,01,520 Nos. Equity shares of Rs. 10 each)
 Changes during the period
 At 31st March 2017
 Changes during the period
 At 31st March 2018

No. of Shares	₹
14,01,520	1,40,15,200
-	-
14,01,520	1,40,15,200
-	-
14,01,520	1,40,15,200

Shares held by Holding Company

Hindusthan Engineering & Industries Limited and its Nominees

As at 31st March 2018	As at 31st March 2017
14,01,520	14,01,520

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

Hindusthan Engineering & Industries Limited and its Nominees

31-Mar-18		31-Mar-17	
No. of Shares	% holding	No. of Shares	% holding
14,01,520	100.00%	14,01,520	100.00%
14,01,520	100.00%	14,01,520	100.00%

As per the record of the company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2018

Note 7 Other Financial Liabilities

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
HEI Expenses Imprest	80,107,073	80,099,891
Liabilities for Expenses	26,921,848	26,921,848
Others	34,950	17,250
Total	107,063,871	107,038,989



Hindusthan Vidyut Corporation Limited
Notes to the financial statements for the year ended 31st March 2018

- 8 During the period the company has no employees on its roll. Accordingly, provisions of IndAS-19 "Employees Benefit" are not applicable.
- 9 The company does not have more than one reportable segment in accordance with the principle outlined in IndAS-108 "Segment Reporting". The disclosures requirements on segment reporting are not applicable.
- 10 The Company is yet to commence operations and does not prepare Statement of Profit & Loss, the requirement of IndAS-33 "Earning Per Share" is not applicable. However, the necessary details of Capital Work in Progress Pre-operative Expenditure pending allocation have been disclosed in Note No-2A.
- 11 There are no adjustments on account of deferred tax liability or deferred tax assets in respect of current as well as earlier year since the company is yet to commence its commercial operations.
- 12 Disclosure of Related Parties / Related Party Transactions as per IndAS-24:-

(A) Name of Related parties and description of relationship :

Parties	Relationship
Hindusthan Engineering & Industries Ltd.	Holding Co.
Shri Rajendra Prasad Mody	Director
Shri Laxmi Kant Rungta	Director
Shri Shyamal Dutta	Director

(B) Disclosure of Related Party Transactions during the year :

Name of the Party	Transaction during the year		Amount Outstanding	
	2017-18	2016-17	2017-18	2016-17
<u>Advances/Security Deposit taken</u>				
Hindusthan Engineering & Industries Ltd.	7,182	-	8,01,07,073	8,00,99,891
	7,182	-	8,01,07,073	8,00,99,891
<u>Directors Sitting fees</u>				
Shri R.P.Mody	4,000	4,000	Nil	Nil
Shri L.K. Rungta	4,000	4,000	Nil	Nil
Shri S.Dutt	4,000	4,000	Nil	Nil
	12,000	12,000	-	-



Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2018

13 The Company was awarded the aforesaid Integrated Lignite Mining-cum-Power Generation Project through International Competitive Bidding by Government of Rajasthan (GOR) in 1996. Necessary Implementation Agreement and Power Purchase Agreement were signed by the Company with the concerned Authorities. The Company obtained all the approvals required by making all out efforts and incurring huge expenses. However, even after a period of 4 years, GOR was unable to give the Mining Lease Approval, which is an essential pre-requisite for setting up the plant as Mining was an integral part of the project as per tender conditions. This failure on the part of GOR halted the project and nothing could move further. GOR, thereafter, declared the Implementation Agreement ineffective. The matter was referred to arbitration between the Company and GOR. The Arbitral Tribunal vide its Award dated 2.1.2007, has awarded a sum of Rs.11,40,32,805/- to the company with future interest against GOR. The objections filed by GOR in the court of District Judge, Jaipur City, Jaipur have been rejected and award has been upheld by the court. GOR has filed an appeal before Hon'ble High Court of Rajasthan at Jaipur.

14 The Company's promoter company viz. Hindusthan Engineering & Industries Ltd. (HEIL) (formerly known as Hindusthan Development Corporation Ltd.(HDC) had started pre-developing the Barsingsar Lignite Mining cum Power Generation Project at Barsingsar, Distt. Bikaner, Rajasthan by early 1992 much before the date of Incorporation of the Company i.e. 3rd July, 1995. HEIL was incurring substantial expenditure since 1992 on this Project. Upto the year ending March 31, 2004, HEIL had transferred the expenditure amounting to Rs. 6,96,12,485. The details of such expenditure transferred by HEIL are as follows:

	Amount (Rs.)
Advertisement & Publicity	2,26,814
Bank Charges	16,332
Bank Guarantee Commission	53,26,165
Books & Periodicals	7,82,886
Fees & Subscription	86,76,598
General Charges	6,12,362
Insurance Premium	1,16,882
Legal & Professional Charges	15,000
Postage & Telegram	2,02,414
Power, Fuel & Water	17,76,580
Rent, Rates & Taxes	46,56,320
Repair & Maintenance	23,78,036
Stationery & Printing	5,77,627
Salaries & Welfare	1,91,83,788
Service Tax Paid	1,75,88,293
Travelling & Conveyance	51,01,082
Telephone & Trunkcall	23,75,306
Vehicle Upkeep	<u>6,96,12,485</u>



- 15 There is no contingent liability as on 31st March, 2018 (PY : Nil).
- 16 There are no foreign currency exposure as on 31st March, 2018 (PY : Nil).
- 17 In the opinion of the management, Current Assets, Loans and Advances have a value on realisation at least equal to the amount at which they are stated in the Balance Sheet.
- 18 No amount is due to Micro, Small & Medium Enterprises (identified on the basis of information made available to the company by such enterprises). No interest has been paid / accrued during the year in this regard.

19 Auditors Remuneration :

Particulars	Year ended	
	31.03.18	Year ended 31.03.17
Statutory Audit Fees	15,000	15,000

20 Capital Mangement

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company is not subject to any externally imposed capital requirements.

	31.3.2018	31.03.2017
Capital	1,40,15,200	1,40,15,200
Long term Term Debts	-	-
Gearing ratio	0%	0%

21 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



Hindusthan Vidyut Corporation Limited
Notes to the financial statements for the year ended 31st March 2018

Financial instruments

The Significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

PARTICULARS	Amount in ₹			
	Fair Value through Profit or Loss	Fair value through other Comprehensive Income	Amortised Cost	Total Carrying Value
Financial assets				
Cash and cash equivalents	-	-	60,478	60,478
Other financial assets			1,000,000	1,000,000
Total Financial Assets	-	-	1,060,478	1,060,478
Financial Liabilities				
Other financial liabilities	-	-	107,063,871	107,063,871
Total Financial liabilities	-	-	107,063,871	107,063,871

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

PARTICULARS	Amount in ₹			
	Fair Value through Profit or Loss	Fair value through other Comprehensive Income	Amortised Cost	Total Carrying Value
Financial assets				
Cash and cash equivalents	-	-	122,212	122,212
Other financial assets			1,000,000	1,000,000
Total Financial Assets	-	-	1,122,212	1,122,212
Financial Liabilities				
Other financial liabilities	-	-	107,038,989	107,038,989
Total Financial liabilities	-	-	107,038,989	107,038,989

* Carrying amounts of cash & cash equivalents and other financial liabilities as at March 31, 2018, March 31, 2017 approximate the fair value because of their short-term nature.

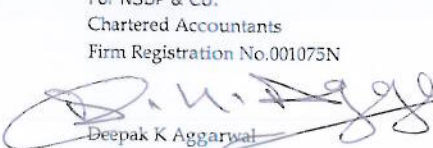
There are no other additional material information required to be disclosed pursuant to provision of Companies Act 2013, Schedule III of the Companies Act, 2013, Companies Accounting Standards) Rule, 2015 and other material applicable enactment, circulars, orders, notifications etc.

23 Previous year figures have been re-grouped/re-classified wherever considered necessary to facilitate comparison.

The accompanying Notes form an integral part of these Financial Statements


1-23


As per our report of even date
For NSBP & Co.
Chartered Accountants
Firm Registration No.001075N


Deepak K Aggarwal
Partner
Membership No: 095541
Place: New Delhi
Date: The 25th day of July, 2018



For and on behalf of the Board of Directors


K. S. RUNGTA
Director
DIN No. 02512399
Place: Kolkata
Date: 25.07.2018


R. P. MODY
Director
DIN No. 00140503
Place: Kolkata
Date: 25.07.2018