G.K. REDDY CO.,
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NC ENERGY LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of NC ENERGY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Cash Flow Statement, the Statement of Pre-Operative Expenses and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

c) the balance sheet, the cash flow statement, the statement of pre-operative expenses and the statement of changes in equity dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

e) on the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act and

f) In our opinion, the company has, in all material respects, an adequate internal financial controls, system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the company.

g) in our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For G.K. REDDY & CO
Chartered Accountants
Firm Regn. No. 0016370S

(G. Kesavardhana Reddy)
Proprietor
M. No.: 206831

Place: Chennai
Date: 17th May 2018

The Annexure referred to in our independent auditors report to the members of the company on the standalone Ind AS financial statements for the year ended 31st March, 2018, we report that:

i. According to the information and explanations given to us:

(a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b). All the fixed assets were physically verified during the year by the management and no discrepancies were noticed on such verification.

(c). The title deeds of immovable properties are held in the name of the Company.

ii. The company has not yet started its commercial operations; hence, clause (ii) of paragraph 3 of the order is not applicable.

iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. The company does not have any loans, investments, guarantees or security in terms of section 185 and 186 of the Act; hence, clause (iv) of paragraph 3 of the order is not applicable.

v. The Company has not accepted any deposits from the public.

vi. The maintenance of cost records as prescribed by the Central Government is not applicable to the company, since, the company has not started its commercial operations.

vii. (a) According to the information and explanations given to us and on the basis of examination of the books of the company, the company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, investor education and protection fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and any other statutory dues, as applicable, with the appropriate authorities in India and no undisputed statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) According to the records of the company and on the basis of information and explanations given to us, there are no dues outstanding in respect of provident fund, employee's state insurance, investor education and protection fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and any other statutory dues on account of any disputes.

viii. The company has not borrowed any loans from financial institutions, banks, Government, debenture holders; hence, clause (viii) of paragraph 3 of the order is not applicable.

ix. The company has not raised money from public through initial public offer (IPO) or further public offer (FPO) and the company does not have any term loans; hence, clause (ix) of paragraph 3 of the order is not applicable.

x. We have not noticed or reported any fraud by the Company or any fraud on the Company by its officers/ employees during the year.

xi. The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.

xii. The company is not a Nidhi company; hence, clause (xii) of paragraph 3 of the order is not applicable.

xiii. All the transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act and the details have been disclosed under notes on accounts in the standalone Ind AS financial statements.

xiv. The company has not made any preferential allotment of private placement of shares to parties and companies covered under the provisions of section 42 of the Act. The company has offered shares to its existing shareholders on rights basis in proportion to their shareholding on respective dates and issued to the applied shareholders without any differential rights and on pari-passu with existing shares.

xv. According to the information and explanations given to us and on the basis of examination of the books of accounts of the company, the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. The company is not required to be registered with Reserve Bank of India as per section 45-IA of the Reserve Bank of India Act, 1934; hence, clause (xvi) of paragraph 3 of the order is not applicable.

For G.K. REDDY & CO
Chartered Accountants
Firm Regn. No. 0016370S

(G. Kesavardhana Reddy)
Proprietor
M. No.: 206831

Place: Chennai
Date: 17th May 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF NC ENERGY 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 NC Energy Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For G.K. REDDY & CO
Chartered Accountants
Firm Regn. No. 0016370S

(G. Kesavardhana Reddy)
Proprietor
M. No.: 206831

Place: Chennai
Date: 17th May 2018

NC ENERGY LIMITED
STANDALONE BALANCE SHEET

Rupees in Lakhs

	PARTICULARS	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
I	**ASSETS**				
A	**Non-Current Assets**				
	Property, Plant and Equipment	2	2681.13	2680.25	2680.32
	Capital Work-in-Progress	-	1236.76	1142.76	961.88
	Other Intangible Assets	-	-	-	-
	Financial Assets:				
	(i) Investments	-	-	-	-
	Other Non-Current Assets	3	205.00	189.60	190.10
	Total Non-Current Assets		**4122.89**	**4012.61**	**3832.30**
B	**Current Assets**				
	Inventories	-	-	-	-
	Financial Assets:				
	(i) Trade Receivables	-	-	-	-
	(ii) Cash and Cash Equivalents	4	8.92	5.12	2.13
	(iii) Bank balances other than (ii) above	-	-	-	-
	Other Current Assets	-	-	-	-
	Total Current Assets		**8.92**	**5.12**	**2.13**
	Total Assets		**4131.81**	**4017.73**	**3834.43**
II	**EQUITY AND LIABILITIES**				
A	**Equity**				
	Equity Share Capital	5	4131.00	4015.00	3815.00
	Other Equity	-	-	-	-
	Total Equity		**4131.00**	**4015.00**	**3815.00**
B	**Liabilities**				
1	**Non-Current Liabilities**				
	Financial Liabilities:				
	(i) Borrowings	-	-	-	-
	Deferred Tax Liability (Net)	-	-	-	-
	Total Non-Current Liabilities		-	-	-
2	**Current Liabilities**				
	Financial Liabilities:				
	(i) Borrowings	-	-	-	-
	(ii) Trade Payables	-	-	-	-
	Other Current Liabilities	6	0.81	2.73	19.43
	Provisions	-	-	-	-
	Total Current Liabilities		**0.81**	**2.73**	**19.43**
	Total Liabilities		**0.81**	**2.73**	**19.43**
	Total Equity and Liabilities		**4131.81**	**4017.73**	**3834.43**
	Significant Accounting Policies	1	-	-	-
	The accompanying notes form an integral part of the standalone financial statements				

Note: No Profit and Loss Account has been prepared, since, the Company has not commenced its Commercial operations during the year.

As per our report of even date

For and on behalf of the Board

For G.K. Reddy & Co
Chartered Accountants
Firm Regn. No. 0016370S

R. V. Ramani
Chairman
DIN: 01384553

P. Vijaya Bhaskar Reddy
Director & CFO
DIN: 00020592

G. Kesavardhana Reddy
Proprietor
M. No. 206831
Place: Chennai
Date : 17th May 2018

S.K. Sivakumar
Company Secretary

NC ENERGY LIMITED
STANDALONE CASH FLOW STATEMENT

	Particulars	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
		Rupees in Lakhs		Rupees in Lakhs	
A	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit Before Tax		-		-
	Adjustments for:				
	Depreciation	-		-	
	Interest Income	-		-	
	(Profit)/Loss on sale of assets	-		-	
	Interest Paid	-	-	-	-
	Operating Profit before Working Capital Changes		-		-
	Adjustment for:				
	Inventories	-		-	
	Trade Receivables	-		-	
	Other Current Assets	-		-	
	Other Non-Current Assets	-15.40		0.50	
	Trade Payables	-		-	
	Other Current Liabilities	-1.92		-16.70	
	Provisions	-	**-17.32**	-	-16.20
	Cash generated from Operations		**-17.32**		-16.20
	Taxes Paid / Provision for Tax		-		-
	Cash flow before Prior-period Items		**-17.32**		**-16.20**
	Prior Period Items		-		-
	Net Cash from Operating Activities	**TOTAL A**	**-17.32**		**-16.20**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant & Equipment		-0.88		0.07
	Sale of Property, Plant & Equipment		-		-
	(Increase)/Decrease in Capiltal Work-In-Progress		-94.00		-180.88
	(Increase)/Decrease in Investments		-		-
	(Increase)/Decrease in Unpaid Dividend A/cs		-		-
	Interest Income		-		-
	Net Cash from / (used in) in Investing Activities	**TOTAL B**	**-94.88**		**-180.81**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Increase / (Decrease) in Borrowings		-		-
	Issue of Share Capital		116.00		200.00
	Interest paid		-		-
	Dividend Paid (Including Dividend Tax)		-		-
	Net Cash from / (used in) Financing Activities	**TOTAL C**	**116.00**		**200.00**
	Net increase in Cash and Cash equivalents	**A+B+C**	**3.80**		**2.99**
	Cash and Cash equivalents at the beginning of the year				
	Cash and Bank Balances	5.12		2.13	
	Cash Credit Balance	-	**5.12**	-	**2.13**
	Cash and Cash Equivalents at the end of the year				
	Cash and Bank Balances	8.92		5.12	
	Cash Credit Balance	-	**8.92**	-	**5.12**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For and on behalf of the Board

For G.K. Reddy & Co
Chartered Accountants
Firm Regn. No. 0016370S

R. V. Ramani
Chairman
DIN: 01384553

P. Vijaya Bhaskar Reddy
Director & CFO
DIN: 00020592

G. Kesavardhana Reddy
Proprietor
M. No.: 206831
Place: Chennai
Date : 17th May 2018

S.K. Sivakumar
Company Secretary

NC ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

I. Equity Share Capital	Note	No. of Shares	Rupees in Lakhs
Equity Shares of Rs.10/- each issued, subscribed and fully paid up			
Balance as at 1st April 2016	5	38150000	3815.00
Changes in Equity Share Capital during the year		2000000	200.00
Balance as at 31st March 2017	**5**	**40150000**	**4015.00**
Changes in Equity Share Capital during the year		1160000	116.00
Balance as at 31st March 2018	**5**	**41310000**	**4131.00**
II. Other Equity			**Nil**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For G.K. Reddy & Co
Chartered Accountants
Firm Regn. No. 0016370S

G. Kesavardhana Reddy
Proprietor
M. No.: 206831
Place: Chennai
Date : 17th May 2018

For and on behalf of the Board

R. V. Ramani
Chairman
DIN: 01384553

P. Vijaya Bhaskar Reddy
Director & CFO
DIN: 00020592

S.K. Sivakumar
Company Secretary

GENERAL INFORMATION

NC Energy Limited ("the Company") is a public limited company incorporated in India and its Holding Company is Nelcast Limited. The principal activity of the Company is Power Generation and the Company has not commenced its commercial operations.

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Rules, 2015, as amended. For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with the previous GAAP, which includes standards notified under the Companies (Accounts) Rules, 2014. This is the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April 2016. The Ind AS financial statements is prepared on historical cost convention, except in case of certain financial instruments which are recognised at fair value at the end of the reporting period and on an accrual basis as a going concern. Refer Note No.17 for information on how the Company has adopted Ind AS.

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the part I of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

USE OF ESTIMATES

The preparation of the Ind AS financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Ind AS financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the Ind AS financial statements. The actual amounts may differ from the estimates used in the preparation of the Ind AS financial statements and the difference between actual results and the estimates are recognised in the period in which the results are known / materialise.

FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Financial Instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest where the fair value differs from the Transaction Price. Where the fair value does not differ, materially, from Transaction Price, the financial liabilities are stated at transaction price only.

PROPERTY, PLANT AND EQUIPMENT

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. The cost of an item of property, plant and equipment is net of duty or tax credit availed. The company capitalizes all costs relating to acquisition and installation of assets. Cost of spares relating to specific item of asset is capitalized. Interest and other related costs, attributable to major projects are capitalized as part of the cost of respective assets. Cost of assets not ready to use before such date are disclosed under “Capital Work-in-Progress”.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

The residual values, useful live and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013.

CAPITAL WORK IN PROGRESS

Expenditure incurred on the existing power project under development is treated as pre-operative expenses pending allocation to the assets, and are included under “Capital Work in Progress”. These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended up to the date of balance sheet.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

Costs incurred towards purchase of computer software are amortized using the straight line method over a period based on management’s estimate of useful lives of such software or over the license period of the software, whichever is shorter.

The Company has elected to continue with the carrying value of all of its Intangible Assets recognised as of 1st April 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

IMPAIRMENT OF ASSETS

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

The Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be reckoned from initial recognition of the receivables. For financial assets, expected credit loss is measured at an amount equal to the 12-month expected credit loss, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime expected credit loss. The amount of expected credit loss (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in Statement of Profit and Loss.

If at the Balance sheet date there is an indication that the previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. There are no diluted earnings per share as there are no dilutive potential equity shares.

CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and 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.

LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. In respect of agreements entered into by the Company before the date of transition to Ind AS, the Company has determined the transaction based on facts and conditions as at the transition date.

A lease is classified at the inception date as a finance lease or as an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Lease where the Lessor retains substantially all the risks and rewards incidental to the ownership is classified as an operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Current Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Assets are neither recognised nor reported in the financial statements.

Rupees in Lakhs

2. PROPERTY, PLANT & EQUIPMENT	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016 Deemed Cost
Land	2679.31	2678.43	2676.40
Computers & Accessories	0.46	0.46	0.46
Furniture & Fittings	1.02	1.02	2.93
Office Equipments	0.34	0.34	0.53
Total	**2681.13**	**2680.25**	**2680.32**

3. OTHER NON-CURRENT ASSETS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Capital Advances	205.00	189.60	190.10
Total	**205.00**	**189.60**	**190.10**

4. CASH & CASH EQUIVALENTS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
In Current Accounts	8.68	4.58	2.06
Cash in Hand	0.24	0.54	0.07
Total	**8.92**	**5.12**	**2.13**

5. EQUITY SHARE CAPITAL	Number of Shares	Rupees in Lakhs
Authorised:		
Equity Share of Rs.10/- each		
As at 1st April 2016	**50000000**	**5000.00**
Increase during the year	-	-
As at 31st March 2017	**50000000**	**5000.00**
Increase during the year	-	-
As at 31st March 2018	**50000000**	**5000.00**
Issued, Subscribed and Paidup:		
Equity Share of Rs.10/- each		
As at 1st April 2016	**38150000**	**3815.00**
Increase during the year	2000000	200.00
As at 31st March 2017	**40150000**	**4015.00**
Increase during the year	1160000	116.00
As at 31st March 2018	**41310000**	**4131.00**
Movements in Equity Share Capital:		
As at 1st April 2016	**38150000**	**3815.00**
As at 31st March 2017	**40150000**	**4015.00**
As at 31st March 2018	**41310000**	**4131.00**

The Company has only one class of equity shares having a par values 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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of equity shareholders holding more than 5%:

Name of the shareholder	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No of shares	%	No of shares	%	No of shares	%
Nelcast Limited	38600000	93.44	38510000	95.92	36510000	95.70
	38600000	**93.44**	**38510000**	**95.92**	**36510000**	**95.70**

6. OTHER CURRENT LIABILITIES	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Audit Fees	0.70	0.50	0.52
TDS Payable	0.07	-	4.24
Director's Remuneration Payable	-	-	4.96
Salaries Payable	-	2.13	8.99
Outstanding Exp.	0.04	0.10	0.72
Total	**0.81**	**2.73**	**19.43**

7. FOREIGN EXCHANGE EARNINGS AND OUT-GO	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Foreign Exchange Outgo	-	-	-
Foreign Exchange Earnings	-	-	-
Total	**-**	**-**	**-**

8. Commitments, Contingent Liabilities: Nil

9. No provision has been made on account of Bonus and present liabilities for future payment of gratuity to employees, as there are no employees, who are eligible for Bonus or Gratuity.

10. Preliminary Expenses:
Since, the Company has not yet commenced its commercial operations, preliminary expenses have not been written off during the year.

11. Related Party Disclosure:

Holding Company:	Nelcast Limited
Key Management Personnel:	Mr. P. Deepak, Managing Director #
	Ms. P. Divya, Director *
	Mr. P. Vijaya Bhaskar Reddy, Director & CFO
	Mr. S.K. Sivakumar, Company Secretary

Rupees in Lakhs

Nature of Transactions	**2017-18**	**2016-17**
Managerial Remuneration	90.99	56.01
Investment in Shares:		
Amount of Investment received during the year	9.00	200.00
Closing Balance as on 31st March	3,860.00	3,851.00

* Resigned as MD with effect from 31.12.2017 # Appointed as MD with effect from 01.01.2018

12. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
The preparation of the Company's financial statements requires management to make judgments, 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.

A. Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, which have no significant effect on the amounts recognised in the financial statements.

Depreciation on property, plant and equipment
Depreciation on property, plant and equipment has not been provided since the Company has not started its commercial operations.

B. 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.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

13. FAIR VALUES
The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, management has assessed the fair value of the borrowings approximate their current value largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

14. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has not commenced its commercial operations and hence there is no financial risk involved.

16. FIRST TIME ADOPTION OF IND AS

These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a. The Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment as deemed cost at the date of the transition.

b. Ind AS 101 requires a first-time adopter to apply de-recognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company continues to de-recognise the financial assets and financial liabilities for transactions which have occurred before the date of transition to Ind AS.

Estimates

The estimates as at 1st April 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016 (transition date) and as of 31st March 2017.

Cash flow statement

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

17. SEGMENT REPORTING

The Company is a power generation Company and it has not commenced its commercial operations and hence, there is no disclosure on segment information is given in these financial statements.

18. Previous year's figures have been regrouped and reclassified wherever necessary to confirm to this year's classification.

As per our report of even date ***For and on behalf of the Board***

For G.K. Reddy & Co
Chartered Accountants
Firm Regn. No. 0016370S

R. V. Ramani
Chairman
DIN: 01384553

P. Vijaya Bhaskar Reddy
Director & CFO
DIN: 00020592

G. Kesavardhana Reddy
Proprietor
M. No. 206831
Place: Chennai
Date : 17th May 2018

S.K. Sivakumar
Company Secretary