

DEOGHAR MEGA POWER LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

6TH ANNUAL REPORT

(2017-18)

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CORPORATE INFORMATION

CIN	U40300DL2012GOI234839
Date of Incorporation	26th April, 2012
Share Capital	Authorized Capital - ₹5,00,000 Paid Up Capital - ₹5,00,000
Registered Office	First Floor, Urjanidhi,1- Barakhamba Lane, Connaught Place, New Delhi- 110001.
Board of Directors	1. Shri Naveen Bhushan Gupta : Chairman 2. Shri A.S. Nanda : Director 3. Shri P.C. Hembram : Director 4. Shri Kamlesh Kumar Jangid : Director
Statutory Auditor	M/s. V. V. Kale & Co., Chartered Accountants

DEOGHAR MEGA POWER LIMITED

(A wholly owned subsidiary of Power Finance Corporation Limited)

Regd. Office: First Floor, Urjanidhi, 1-Barakhamba lane, Connaught Place, New Delhi – 110001.

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of Deoghar Mega Power Limited will be held **on Friday, the 7th day of September, 2018 at 11.30 AM** at Urjanidhi, 1 Barakhamba Lane, Connaught Place, New Delhi - 110001, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, along with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Kamlesh Kumar Jangid (DIN 06401190), who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 142(1) of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed/to be appointed by Comptroller and Auditor General of India for the Financial Year 2018-19, as may be deemed fit by the Board."

SPECIAL BUSINESS

4. **Appointment of Shri A.S. Nanda as a Director of the Company**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri A.S. Nanda (DIN 07347825) who was appointed as an Additional Director w.e.f. 16th October, 2017 and who hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **Appointment of Shri P.C. Hembram as a Director of the Company**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri P.C. Hembram (DIN 02750881), who was appointed as an Additional Director w.e.f. 16th October, 2017 and who hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By order of the Board of Directors
For Deoghar Mega Power Limited**

Sd/-

(P.C. Hembram)

Director & Project-in Charge

Date: 16.08.2018

Place: New Delhi

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 4 & 5 of the Notice is annexed hereto. The relevant details as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the persons seeking appointment/re-appointment as Director under item No. 2, 4 & 5 of the Notice are also annexed.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him/her and such proxy need not be a member of the Company.** Pursuant to the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxy form duly completed must be deposited at the registered office of the Company, not less than forty eight hours before the commencement of the Annual General. Proxy so appointed shall not have any right to speak at the meeting.
3. The Statutory Registers and other records under the Companies Act, 2013 and rules made thereunder, will be available for inspection by Members at the venue of AGM.
4. Pursuant to Section 139(5) of Companies Act, 2013 the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) within a period of 180 days from the commencement of the financial year and in terms of section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in Annual General Meeting. The members may authorize the Board of Directors of the Company to fix an appropriate remuneration of auditors appointed by the Comptroller and Auditor General of India for the financial year 2018-19.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

Power Finance Corporation Limited (PFC), the holding company, nominated Shri A.S. Nanda, GM, PFC as Director of the Company. Accordingly, Shri A.S. Nanda was inducted on the Board as additional Director w.e.f. 16th October, 2017.

Pursuant to the provision of section 161(1) and other applicable provisions of the Companies Act, 2013, Shri A.S. Nanda will hold office till the date of ensuing Annual General Meeting. The Compliance with respect to the provisions of section 160 of the Companies Act 2013 has been made for the appointment of Shri A.S. Nanda as Director of the company.

Your Directors recommend the resolution as contained in Item No. 4 of the Notice for approval of the members.

Shri A.S. Nanda is interested in this resolution to the extent of her appointment as a Director of the Company. No other Director of the Company is in anyway concerned/interested in the proposed resolution.

Item No. 5

Power Finance Corporation Limited (PFC), the holding company, nominated Shri P.C. Hembram, EVP (Unit-3), PFCCL as Director of the Company. Accordingly, Shri P.C. Hembram was inducted on the Board as additional Director w.e.f. 16th October, 2017.

Pursuant to the provision of Section 161(1) and other applicable provisions of the Companies Act, 2013, Shri P.C. Hembram will hold office till the date of ensuing Annual General Meeting. The Compliance with respect to the provisions of Section 160 of the Companies Act 2013 has been made for the appointment of Shri P.C. Hembram as Director of the company.

Your Directors recommend the resolution as contained in Item No. 5 of the Notice for approval of the members.

Shri P.C. Hembram is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company is in anyway concerned/interested in the proposed resolution.

**By order of the Board of Directors
For Deoghar Mega Power Limited**

Sd/-

(P.C. Hembram)

Director & Project-in-Charge

Date: 16.08.2018

Place: New Delhi

Details of Director(s) seeking appointment/re-appointment at the forthcoming Annual General Meeting of Deochar Mega Power Limited

Name of Director	Shri Kamlesh Kumar Jangid	Shri A.S. Nanda	Shri P.C. Hembram
Date of Birth	20 th November, 1971	01.08.1962	05.08.1964
Date of Appointment	5 th December, 2016	16.10.2017	16.10.2017
Relationship with Directors	None	None	None
Qualification	ICMA	<ul style="list-style-type: none"> • B.Com (Hons) • ICMA 	<ul style="list-style-type: none"> • B. Sc (Mechanical Engineering), • M. Tech (Industrial Engineering)
Experience	<ul style="list-style-type: none"> • Joined Gujarat Electricity Board in March 2003 as Dy. Chief Accounts Officer and worked in Finance & Accounts Department. From December-2003, promoted to the post of Controller of Accounts at Wanakbori Thermal Power Station and was looking after Finance & Accounts at Power Projects. Subsequently from 2005 was working under Commerce Department and looking after issues related to Power Purchase, Sale of Power, Regulatory Affairs & Policy issues etc. • In 2007, promoted to the post of Chief Finance Manager in Commerce Department and looking after commercial issues including regulatory and from December -2010 till now is working as General Manager (Commerce) in Gujarat Urja Vikas Nigam Limited, Vadodara. 	<p>Shri A.S. Nanda carries more than 31 years of experience in the various fields of Finance & Accounts.</p> <p>Shri Nanda joined Power Finance Corporation Limited (PFC) in June 1993 and has rich experience in resource mobilization, fund management from both Domestic as well as International Market, Risk Management and credit rating etc. Presently Shri A.S. Nanda is holding the position of General Manager, PFC.</p>	<p>Shri P.C. Hembram has vast experience of more than 29 years of working in power sector.</p> <p>Presently, Shri Hembram is holding the position of General Manager, Power Finance Corporation Ltd. and working as EVP, PFC Consulting Limited (A Wholly owned subsidiary of Power Finance Corporation Ltd.)</p>
Directorships in other companies	<ul style="list-style-type: none"> • Power Exchange India Limited • Deochar Infra Limited 	<ul style="list-style-type: none"> • Deochar Infra Limited 	<ul style="list-style-type: none"> • Bihar Mega Power Limited • Bihar Infrapower Limited • Cheyyur Infra Limited

				<ul style="list-style-type: none"> • Coastal Karnataka Power Limited • Coastal Maharashtra Mega Power Limited • Deochar Infra Limited • Coastal Tamil Nadu Power Limited • Ghogarpalli Integrated Power Company Limited • Shongtong Karcham-Wangtoo Transmission Limited
Chairman/Membership Committees across all public companies	None	None	None	None
Number of Shares held the company as 31st March, 2018	None	NIL	None	None

For detail regarding number of meetings of the board attended during the year in respect of abovementioned Directors, please refer to the Board's Report.

DEOGHAR MEGA POWER LIMITED

(A wholly owned subsidiary of Power Finance Corporation Limited)

BOARD'S REPORT 2017-18

To

The Members,

Your Directors have pleasure in presenting the 6th Annual Report on the working of the Company for the financial year ended on 31st March, 2018 along with Audited Financial Statements and Auditor's Report thereon.

OPERATIONAL ACTIVITIES

Your Company was incorporated on 26th April, 2012 as a Special Purpose Vehicle (SPV) by Power Finance Corporation Limited (PFC) as its wholly owned subsidiary for development of second Ultra Mega Power Project (UMPP) in the State of Jharkhand.

MoP, in consultation with CEA, allocated Power from Deoghar UMPP to seven States namely Jharkhand (1500 MW), Gujarat (1000 MW), Tamil Nadu (600 MW), Haryana (200 MW), Kerala (200 MW), Goa (200 MW), Karnataka (300 MW).

The site for the project was recommended by CEA at Hussainabad, Devipur Division, District Deoghar, Jharkhand in 2012. Subsequently, Govt of Jharkhand (GoJ) issued "in-principle" approval for this site on 26th June, 2012. The total land required for the project is 2256 acres across 20 villages which includes about 1652 acres of private land and about 322 acres of Govt. non forest and forest land spread over 282 acres.

The water requirement for the project is 106 Million Cubic Metre (MCM) out of which GoJ vide letter dated 14th January, 2012 issued "in-principle" approval for drawl of only 80.25 MCM from River Ajay Basin but later WRD, GoJ vide letter dated March 16, 2016 conveyed concurrence for 106 MCM water including 80.25 MCM. In this regard IIT Roorkee was awarded a study contract in 2012 for accessing the availability of water in the River Ajay in 2012 and further awarded the contract for Socio-Economic Impact Assessment (SEIA) & Environment Management Plan (EMP) Studies for storage dam on river Ajay in 2013. As per the SEIA report submitted by IIT Roorkee, there shall be a large submergence which shall lead to huge R & R implications. During a review meeting in the month of September, 2015, Chief Secretary, GoJ suggested that as NTPC planned to reduce water requirement by adopting ACCT in North Karanpura, similar arrangement could be tried for Deoghar UMPP. By adopting ACCT for the project, water requirement may get reduced to 55 MCM (including installation of FGD) from 106 MCM. Accordingly, IIT Roorkee was, again, awarded a contract for identification of alternate surface water storage scheme on Ajay River Basin for bank full storage of water to meet water requirement for installation of ACCT. The report was submitted on 19.04.2017 which was forwarded to WRD, GoJ for consideration and review.

Ministry of Power (MoP) in consultation with CEA is in process of identifying alternatives viable solution i.e. installation of ACCT to optimise the water requirement for thermal power project.

The Expert Appraisal Committee (EAC) of Ministry of Environment & Forest (MoEF) considered the project for issuance of Terms of Reference (ToR) during its meeting held on 5th November, 2012.

MoP and Central Electricity Authority (CEA) in consultation with CMPDIL has identified Dhulia (North) coal block for the UMPP.

An application for issuance of Section 4(1) Notification under Land Acquisition Act, 1894 for acquisition of 1652 acres of private land was filed with the concerned authority on 1st March, 2013. Subsequent to notification of Rules framed by Government of Jharkhand i.e. **Jharkhand Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Rules, 2015** (JLARR) Act, the revised application was submitted to District Authorities in July, 2015. The District Administration has notified the intent of carrying out SIA for acquisition of said land. Application for diversion of 282 acres of Forest land was submitted to the concerned authority on 17th July, 2013. The application for alienation of 322 acre Government land was also submitted to concerned Authority on 7th March, 2013.

FINANCIAL REVIEW

During the year under review, your Company has not taken up its commercial activities. However, during the year, the Company has spent an amount of ₹ 4.09 Crores towards manpower charges, interest expenses, consultancy expenses, tour & travelling, vehicle hiring, legal & professional charges etc., which has been transferred to capital work in progress. Total expenditure incurred by the Company till 31st March, 2018 is ₹14.74 Crores.

DIVIDEND

As the Company has not started its commercial activities, the company has decided not to recommend any dividend for the financial year 2017-18.

SHARE CAPITAL

The paid-up share capital of the company is ₹5,00,000/- (50,000 equity shares of ₹10/- each) as on 31st March, 2018. During the year, the entire share capital of the Company is held by Power Finance Corporation Limited and its nominees.

COMMITMENT ADVANCE

The total commitment advance received till 31st March, 2018 is ₹13.00 Crore, out of the total commitment advance of ₹40.00 Crore, which is to be received from various power procurers. Commitment advance yet to be received from various power procurers as per their allocated share of power is ₹27.00 Crore.

DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

There are no Subsidiary/ Joint Venture/Associate Companies within the meaning of Section 2(87) and Section 2(6) of the Companies Act, 2013.

DIRECTORS

Since the date of last Directors' Report, following changes were made in the constitution of the Board of the Company:

- Pursuant to the office order issued by Power Finance Corporation Limited (PFC), Holding Company, Shri N.B. Gupta, who was already holding the position of Director was nominated as Chairman of the Company and Shri A.S. Nanda was appointed as Additional Director of the Company w.e.f. 16th October, 2017,
- Further, pursuant to the office order issued by Power Finance Corporation Limited (PFC), Holding Company Shri P.C. Hembram was appointed as Additional Director of the Company and Shri Yogesh Juneja & Shri R. Rahman ceased to be the Directors of the Company w.e.f. 16th October, 2017.

In accordance with the provisions of Section 161(1) of the Companies Act 2013, **Shri A.S. Nanda and Shri P.C. Hembram** will hold office upto the date of ensuing Annual General Meeting. The Board recommends that **Shri A.S. Nanda and Shri P.C. Hembram** may be appointed as Directors, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Shri Kamlesh Kumar Jangid, Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

The Board places on record its deep appreciation for the valuable contribution made by Shri Yogesh Juneja and Shri R. Rahman during their tenure as Directors of the Company.

Consequent to the aforesaid changes, presently the Board of Directors of the Company comprises of the following:

1. Shri N.B. Gupta : Chairman
2. Shri A.S. Nanda : Director
3. Shri P.C. Hembram : Director
4. Shri Kamlesh Kumar Jangid : Director

MEETINGS OF BOARD OF DIRECTORS

During the financial year 31st March, 2018, four (4) Board meetings were held. The details of Board meetings are given below:

S.No	Date of Board Meeting	Board Strength	No. of Directors Present
1	23 rd May, 2017	5	5
2	18 th August, 2017	4	3
3	16 th October, 2017	6	3
4	8 th February, 2018	4	3

AUDITOR'S REPORT

M/s. V V Kale & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company for the financial year 2017-18 by the Comptroller & Auditor General of India. There are no adverse comments, observation or qualification in the Auditor's Report on the accounts of the Company.

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL (C&AG) OF INDIA

C&AG vide their letter dated 28th June, 2018 have decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March, 2018 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013. A copy of the letter issued by C&AG in this regard is placed at **Annexure – I**

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, it is confirmed that:

- In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected, applied consistently and judgments & estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Companies Act 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a going concern basis;
- The company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

During the year, Company has complied with the applicable provisions of the Secretarial Standards.

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year ended 31st March, 2018 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

PARTICULARS OF EMPLOYEES

The Company has no employees on its roll. Hence, the particulars of employees as prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-II** in Form AOC-2 and the same forms part of this report.

PARTICULARS OF LOANS, INVESTMENT AND GUARANTEE

Particulars of loans, guarantees and investment have been disclosed in the financial statement.

EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of section 92(3) of Companies Act 2013, extract of Annual Return is given in **Annexure – III** in the prescribed Form MGT-9, which forms part of this report.

RISK MANAGEMENT

The Company is a Special Purpose Vehicle (SPV), incorporated for specific project and to undertake only preliminary activities viz. to undertake land acquisition process, obtain statutory clearances and approvals and to undertake bidding process and transfer the SPV to the selected bidder. As the Company will be transferred to the successful developer, risk management is necessary only till such transfer takes place. However the management regularly identifies the probable risks associated during this phase and takes adequate steps for the risk management.

In the event, expenditure incurred by PFC in formation of SPV as share capital/other expenses and the other costs incurred on pre development activities is less than the commitment advance received from procurers in proportion to their allocated share of power from the project and the project is abandoned or cannot be bid out or there is no selected developer after carrying out bidding process, the said expenses will be adjusted against the commitment advance. The balance amount left after adjustment of expenditure would be returned to procurers.

In the event, expenditure incurred is more than the commitment advance received from procurers and the project is abandoned or cannot be bid out or there is no selected developer after carrying out bidding process, additional amount would be sought from procurers.

Further, in case the developer is successfully selected, then the SPV would be transferred to successful developer after receiving the Acquisition Price, which will include all costs for developmental activities, land cost, success fee etc.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per the provisions of Sec. 134 (3) (m) read with Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption, are not applicable. During the year under review, there is no foreign exchange earning and outgo.

ACKNOWLEDGEMENT

The Directors place on record their gratitude to the Central and State Governments and various Government agencies for the assistance, co-operation and encouragement they extended to the company. The Company, in particular, is thankful to the Comptroller & Auditor General of India, The Ministry of Power, Government of Jharkhand, the Statutory Auditors and Power Finance Corporation Limited for their suggestions and unstinted co-operation and guidance.

For and on behalf of the Board of Directors

**Sd/-
(N.B.Gupta)
Chairman
DIN: 00530741**

**Place : New Delhi
Date : 16.08.2018**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DEOGHAR MEGA POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Deoghar Mega Power Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the act is responsible for expressing opinion on the financial statements under section 143 of the act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the act. This is stated to have been done by them vide their Audit Report dated 17 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Deoghar Mega Power Limited for the year ended 31 March 2018 under Section 143(6)(a) of the Act.

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



(Ritika Bhatia)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board - III,
New Delhi

Place: New Delhi
Dated: 28 June 2018

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
Deoghar Mega Power Limited (DMPL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship:

Power Finance Corporation Limited	: Holding Company
PFC Consulting Limited	: Subsidiary of the Holding company

(b) Nature of contracts/arrangements/transactions: Consultancy services & Fund arrangement

(c) Duration of the contracts / arrangements/transactions: Ongoing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Cost to employees working for developing ultra mega power projects are charged on cost to Company basis/rate, as determined by the Company in proportion to the man days (as assessed by the management) spent on the respective projects.

(e) Date(s) of approval by the Board, if any: -

(f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

**Sd/-
(N.B. Gupta)
Chairman
DIN: 00530741**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018

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

i)	CIN:	U40300DL2012GOI234839																					
ii)	Registration Date [DDMMYY]	26.04.2012																					
iii)	Name of the Company	Deoghar Mega Power Limited																					
iv)	Category of the Company [Pl. tick]	1. Public Company <input checked="" type="checkbox"/> 2. Private Company																					
	Sub Category of the Company [Please tick whichever are applicable]	<table border="1"> <tr><td>1. Government Company</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>2. Small Company</td><td><input type="checkbox"/></td></tr> <tr><td>3. One Person Company</td><td><input type="checkbox"/></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td><input type="checkbox"/></td></tr> <tr><td>5. NBFC</td><td><input type="checkbox"/></td></tr> <tr><td>6. Guarantee Company</td><td><input type="checkbox"/></td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td><input type="checkbox"/></td></tr> <tr><td>9. Company having share capital</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>10. Company not having share capital</td><td><input type="checkbox"/></td></tr> <tr><td>11. Company Registered under Section 8</td><td><input type="checkbox"/></td></tr> </table>	1. Government Company	<input checked="" type="checkbox"/>	2. Small Company	<input type="checkbox"/>	3. One Person Company	<input type="checkbox"/>	4. Subsidiary of Foreign Company	<input type="checkbox"/>	5. NBFC	<input type="checkbox"/>	6. Guarantee Company	<input type="checkbox"/>	7. Limited by shares	<input checked="" type="checkbox"/>	8. Unlimited Company	<input type="checkbox"/>	9. Company having share capital	<input checked="" type="checkbox"/>	10. Company not having share capital	<input type="checkbox"/>	11. Company Registered under Section 8
1. Government Company	<input checked="" type="checkbox"/>																						
2. Small Company	<input type="checkbox"/>																						
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5. NBFC	<input type="checkbox"/>																						
6. Guarantee Company	<input type="checkbox"/>																						
7. Limited by shares	<input checked="" type="checkbox"/>																						
8. Unlimited Company	<input type="checkbox"/>																						
9. Company having share capital	<input checked="" type="checkbox"/>																						
10. Company not having share capital	<input type="checkbox"/>																						
11. Company Registered under Section 8	<input type="checkbox"/>																						
v)	Address of the Registered office and contract details	First Floor 'Urjanidhi' 1 Barakhamba Lane, Connaught Place New Delhi-110001, Ph-01123443906.																					
vi)	Whether shares listed on recognized Stock Exchange(s)	No																					
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA) if any :- N.A.																						

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
NIL			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Power Finance Corporation Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	L65910DL1986GOI024862	Holding Company	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual*	0	600	600	1.2	0	600	600	1.2	NIL
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	49400	49400	98.8	0	49400	49400	98.8	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	0	50000	50000	100	0	50000	50000	100	0.00
(2) Foreign									
a)NRIs- Individuals	0	0	0	0	0	0	0	0	0
b)Other-Individuals	0	0	0	0	0	0	0	0	0
c)Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
E) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	0	50000	50000	100	0	50000	50000	100	0.00
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	NIL	50000	50000	100	NIL	50000	50000	100	0.00

* Nominee of Power Finance Corporation Limited

(ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Power Finance Corporation Limited	49400	98.8	NIL	49400	98.8	NIL	NIL
2	Smt Nalini Vanjini*	100	0.2	NIL	100	0.2	NIL	NIL
3	Shri P.K.Bhargava*	100	0.2	NIL	NIL	NIL	NIL	(0.2)
4	Shri D.Ravi*	100	0.2	NIL	100	0.2	NIL	NIL
5	Shri C.Gangopadhyay*	100	0.2	NIL	100	0.2	NIL	NIL
6	Shri P.K.Singh*	100	0.2	NIL	100	0.2	NIL	NIL
7	Shri. Dinesh Vij*	100	0.2	NIL	100	0.2	NIL	NIL
8	Shri Subir Mulchandani*	NIL	NIL	NIL	100	0.2	NIL	0.2

* NOMINEE OF POWER FINANCE CORPORATION LIMITED

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

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NO CHANGE IN THE PROMOTERS' SHAREHOLDING			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

**(iv) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

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

	Secured Loans excluding deposits	Unsecured Loans (₹)	Deposits	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	13,00,00,000	-	13,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	3,58,25,977	-	3,58,25,977
Total (i+ii+iii)	-	16,58,25,977	-	16,58,25,977
Change in Indebtedness during the financial year				
* Addition	-	1,43,77,855	-	1,43,77,855
* Reduction	-	-	-	-
Net Change	-	1,43,77,855	-	1,43,77,855
Indebtedness at the end of the financial year				
i) Principal Amount	-	13,00,00,000	-	13,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	5,02,03,832	-	5,02,03,832
Total (i+ii+iii)	-	18,02,03,832	-	18,02,03,832

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY MD/WTD/MANAGER.	
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		-----	-----	-----	-----	-----	-----	-----	
1	Independent Directors	NOT APPLICABLE AS COMPANY DOES NOT HAVE ANY INDEPENDENT DIRECTOR							
	Fee for attending board committee meetings								
	Commission								
	Others, please specify								
	Total (1)								
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	NIL							
	Commission								
	Others, please specify								
	Total (2)								
	Total (B)=(1+2)								
	Total Managerial Remuneration								
Overall Ceiling as per the Act									

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY CEO/CS/CFO			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

For and behalf of Board of Directors

Sd/-
(N.B. Gupta)
Chairman
DIN: 00530741

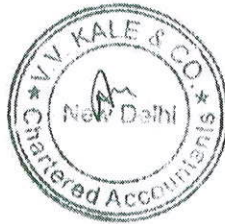
Compliance Certificate

We have conducted the audit of annual accounts of Deoghar Mega Power Limited for the year ended 31st March, 2018 in accordance with the directions / sub directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions / sub directions issued to us.

For V V Kale & Co.
(Chartered Accountants)
Firm Reg. No: 000897N



(Vijay Kale)
Partner
M. No.: 080821
Place: New Delhi
Date: 17-05-2018



INDEPENDENT AUDITOR'S REPORT

To

The Members of Deoghar Mega Power Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Deoghar Mega Power Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 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 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 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 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 there under. 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



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to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

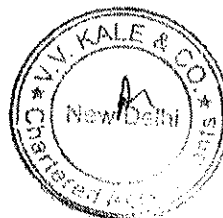
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- (b) In the case of Statement of Profit and Loss, of no profit no loss for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the 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 Government of India in terms of sub-section 11 of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure-I", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure II" on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid 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) Vide Notification No. GSR 463(E) dated 5th June, 2015 of Department of Company Affairs, Government of India, Government Companies have been exempted from applicability of Provision of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-III"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no legal cases pending against the Company.
 - ii. The Company did not have any long-term contract including derivative contracts, for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V V Kale & Co.
(Chartered Accountants)
Firm Reg. No: 000897N


(Vijay Kale)
Partner
M. No.: 080821
Place: New Delhi
Date: 17-05-2018



ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF DEOGHAR MEGA POWER LIMITED

The Annexure referred to in our report to the members of Deoghar Mega Power Limited ('the Company') for the year ended 31st March, 2018.

We report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

As explained to us, all the fixed assets have been physically verified by the management in a phased & reasonable manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We have been explained that no material discrepancies were noticed on such verification as compared to the book records.

2. The Company does not hold any inventory; hence clause (ii) of paragraph 3 of the Order is not applicable.
3. The Company has not granted any loan, secured or unsecured, to any company, firm or other party covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the Company has complied with the provisions of section 186 of the Act, with respect to the loans made.
5. Based on our scrutiny of the Company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the Company.
7. a). The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.



- b). According to the information and explanations given to us, there are no material disputed statutory dues payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which are outstanding as at 31st March, 2018.
8. According to the information and explanations given to us, the Company has not taken any loan from any financial institution or bank or debenture holder, hence clause (viii) of paragraph 3 of the Order is not applicable.
 9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year, hence clause (ix) of paragraph 3 of the Order is not applicable.
 10. Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
 11. In our opinion and according to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration during the year as stipulated to section 197 read with Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.
 12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company hence clause (xii) of paragraph 3 of the Order regarding default is not applicable.
 13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties have been entered into by the company in its ordinary course of business on an arm's length basis and therefore the provisions of section 177 and 188 of the Act are not applicable to the Company. However, the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
 14. According to the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore provisions of clause (xiv) of paragraph 3 of the Order are not applicable.
 15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable.



16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For V V Kale & Co.
(Chartered Accountants)
Firm Reg. No: 000897N



(Vijay Kale)
Partner
M. No.: 080821
Place: New Delhi
Date: 17-05-2018



ANNEXURE-II TO THE INDEPENDENT AUDITORS' REPORT OF DEOGHAR MEGA POWER LIMITED

The Annexure referred to in our report to the members Deoghar Mega Power Limited ('the Company') for the year ended 31st March, 2018.

1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively. If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	The company does not have any freehold and leasehold land, hence not applicable.
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	There are no such cases.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	There is no inventory in the company and no assets received as gift from Government or other authorities, hence not applicable.

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and Financial Statements of the company.

For V V Kale & Co.
(Chartered Accountants)
Firm Reg. No: 000897N



(Vijay Kale)
Partner
M. No.: 080821
Place: New Delhi
Date: 17-05-2018



ANNEXURE-III TO THE INDEPENDENT AUDITOR'S REPORT OF DEOGHAR MEGA POWER LIMITED

The Annexure referred to in our report to the members of Deoghar Mega Power Limited ('the Company') for the year ended 31st March, 2018.

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 Deoghar Mega Power Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

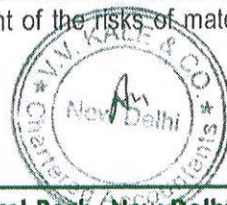
Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

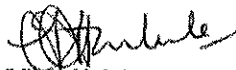
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For V V Kale & Co.
(Chartered Accountants)
Firm Reg. No: 000897N



(Vijay Kale)

Partner

M. No.: 080821

Place: New Delhi

Date: 17-05-2018



DEOGHAR MEGA POWER LIMITED
CIN:U40300DL2012GOI234839
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹)

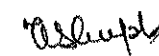
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	5,00,000	5,00,000
(b) Reserves and surplus	4	(39,056)	(39,056)
		4,60,944	4,60,944
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	13,00,00,000	13,00,00,000
(b) Other long-term liabilities	6	5,02,03,832	3,58,25,977
		18,02,03,832	16,58,25,977
(3) Current Liabilities			
(a) Other current liabilities	7	17,71,878	10,64,390
		17,71,878	10,64,390
TOTAL		18,24,36,654	16,73,51,311
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible Assets	8	9,915	26,915
(ii) Capital work-in-progress	9	14,74,14,128	10,65,57,643
(b) Long-term loans and advances	10	2,85,44,408	5,69,62,465
(c) Other non-current assets	11	55,82,515	30,04,776
		18,15,60,966	16,65,51,799
(2) Current Assets			
(a) Cash and cash equivalents	12	15,089	4,512
(b) Short term loans and advances	13	8,70,599	7,95,000
		8,85,688	7,99,512
TOTAL		18,24,36,654	16,73,51,311

Corporate information	1
Significant accounting policies	2
Expenditure during Construction Period	14
Other Notes to financial statements	15 to 33


For and on behalf of Board of Directors


(Purna Chandra Hembram)
 Director
 DIN:02750881


(Amarjit Singh Nanda)
 Director
 DIN:07347825


(Naveen Bhushan Gupta)
 Chairman
 DIN:00530741

As per our report of even date
 For & on behalf of
V V Kale & Co.
 CHARTERED ACCOUNTANTS
 (Firm Reg. No: 000897N)



(VIJAY KALE)
 Partner
 M. No.: 080821
 Place : New Delhi
 Date : 17th May, 2018



DEOGHAR MEGA POWER LIMITED
CIN:U40300DL2012GOI234839
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

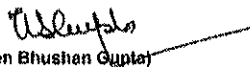
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I+II)		-	-
IV. Expenses			
Preliminary Expenses		-	-
Total Expenses		-	-
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		-	-
VI. Exceptional items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		-	-
VIII. Extraordinary items		-	-
IX. Profit/(Loss) before tax (VII-VIII)		-	-
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit/(Loss) for the year from continuing operations (IX-X)		-	-
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the year (XI +XIV)		-	-
XVI. Earnings per equity share:			
(1) Basic	27	-	-
(2) Diluted	27	-	-

Corporate information	1
Significant accounting policies	2
Expenditure during Construction Period	14
Other Notes to financial statements	15 to 33


For and on behalf of Board of Directors


(Purna Chandra Hembram)
Director
DIN:02760881


(Amarjit Singh Nanda)
Director
DIN:07347825


(Naveen Bhushan Gupta)
Chairman
DIN:00530741

As per our report of even date
For & on behalf of
V V Kale & Co.
CHARTERED ACCOUNTANTS
(Firm Reg. No: 000897N)



(VIJAY KALE)
Partner
M. No.: 080821
Place : New Delhi
Date : 17th May, 2018




DEOGHAR MEGA POWER LIMITED
CIN:U40300DL2012GOI234839
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

		(Amount in ₹)	
Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Profit/ Loss before tax	-	-
	Adjustment For Increase/Decrease in:		
	Other Current liabilities	7,07,488	10,24,315
	Other non-current assets	(25,77,739)	(30,04,776)
	Other Long term liabilities	1,43,77,855	1,32,66,323
	Net cash flow from operating activities	1,25,07,604	1,12,85,862
B.	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Long term loans & advances	2,84,18,057	(5,69,62,465)
	Short term loans & advances	(75,599)	-
	Capital work-in-progress	(4,08,39,485)	(1,99,14,195)
	Net cash used in investing activities	(1,24,97,027)	(7,68,76,660)
C.	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	Long-term borrowings	-	6,55,90,310
	Net cash flow from financing activities	-	6,55,90,310
	Net increase/decrease in cash and cash equivalents	10,577	(488)
	Add: Cash and cash equivalents at beginning of the year	4,512	5,000
	Cash and cash equivalents at end of the year	15,089	4,512
	Balance with bank	15,089	4,512


For and on behalf of Board of Directors


(Purna Chandra Hembram)
 Director
 DIN:02750881


(Amarjit Singh Nanda)
 Director
 DIN:07347825


(Naveen Bhushan Gupta)
 Chairman
 DIN:00530741

As per our report of even date
 For & on behalf of
V V Kale & Co.
 CHARTERED ACCOUNTANTS
 (Firm Reg. No: 000897N)


(VIJAY KALE)
 Partner
 M. No.: 080821
 Place : New Delhi
 Date : 17th May, 2018



Notes to the Financial Statements for the year ended March 31, 2018

1 Corporate Information

The Company was incorporated on April 26, 2012 under the Companies Act 1956 as a wholly owned subsidiary of Power Finance Corporation Limited (PFC), a Govt. of India Undertaking. Certificate for Commencement of Business was issued on September 26, 2012. The Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary works viz statutory clearances including that of environment, forest, etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Jharkhand (Project). The site for the project had been identified at Hussainabad, Devipur Division, District Deoghar, as recommended by CEA and "in-principle" approved by Govt. of Jharkhand. Dhulia (North) coal block was identified for the project.

2 Significant Accounting Policies

a. Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

b. Use of Estimate

The preparation of financial statements requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known and/or materialised.

c. Recognition of Income / Expenditure

Income and expenses (except as stated below) are accounted for on accrual basis.

Fees for advisory and professional services for developing Ultra Mega Power Project payable to PFC/PFCCL is recognised in the year of transfer of the company to the successful bidder.

d. Capital work-in-progress

Expenditure incurred on Consultancy /Administration /Interest /Manpower Charges/ Legal & Professional etc and other expenditure during construction period is treated as Capital-work-in-progress.

e. Loans

Expenditure incurred by the company for the Project is financed by the Holding Company and is grouped under Unsecured Long term borrowings. Interest is charged on funds deployed by them.

f. Preliminary Expenses

Preliminary expenses are written off in the year in which such expenditure is incurred.

g. Investments

Investments are stated at cost.

h. Borrowing Costs

Borrowing cost is charged to the statement of profit & loss except for interest on borrowings for capital assets is capitalized till the date of commercial use of the assets.

i. Provisions and Contingencies

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed in the notes.



Notes to the Financial Statements for the year ended March 31, 2018

j. Cash Flow Statement

Cash flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard-3 on Cash Flow Statement.

k. Cash & Cash Equivalents

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques /drafts/pay orders in hand. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

l. Earnings Per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is same as basic earnings per share as there are no potential equity shares as on Balance sheet date.

m. Taxes

Provision for taxation includes provision for Income Tax and Deferred Tax. Current Income tax is provided at the rates in force in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted and are substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

n. Tangible Assets/ Intangible Assets

Tangible Assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value. The historical cost includes all cost attributable for bringing the assets to its working condition for its intended use.

Expenditure on existing assets resulting in increase in previously assessed useful life/standard of performance is added in relevant assets.

Intangible Assets are recorded at their cost of acquisition.

o. Depreciation/ Amortisation

Depreciation on assets is provided on Pro-rata basis as per written Down value method considering the useful life and residual value prescribed under the Schedule II of the Companies Act, 2013 or over the shorter useful life as estimated by the Company.

Amortization is done under straight-line method over the life of the assets estimated by the Company.



DEOGHAR MEGA POWER LIMITED
CIN:U40300DL2012GOI234839
Notes to the Financial Statements for the year ended March 31, 2018

NOTE NO. 3 - SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Authorised :		
50,000 Equity shares of ₹.10/- each (Previous year 50,000 Equity shares of ₹.10/- each)	5,00,000	5,00,000
Issued, subscribed and fully paid up :		
50,000 Equity shares of ₹.10/- each fully paid-up (Previous year 50,000 Equity shares of ₹.10/- each fully paid-up)	5,00,000	5,00,000
Total Issued, subscribed and fully paid up share capital	5,00,000	5,00,000

a. Reconciliation of the shares outstanding as at the beginning and as at the end of the reporting period

Equity Shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Balance as at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	50,000	5,00,000	50,000	5,00,000

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹. 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

c. Shares held by holding company

Out of 50,000 equity shares issued by the company, shares held by its Holding Company are as below:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Power Finance Corporation Limited, the Holding Company * 50,000 (Previous period 50,000) equity shares of ₹.10 each fully paid	5,00,000	5,00,000

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹. 10 each fully paid				
Power Finance Corporation Limited, the Holding Company *	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

* Equity shares are held by Power Finance Corporation Limited and through its nominees.



DEOGHAR MEGA POWER LIMITED

CIN:U40300DL2012GOI234839

Notes to the Financial Statements for the year ended March 31, 2018

NOTE NO. 4 - RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Surplus/(Deficit) in the Statement of Profit and Loss</u>		
Balance as at the beginning of the year	(39,056)	(39,056)
Add/ (Less): Profit/(Loss) for the year	-	-
Balance as at the end of the year	(39,056)	(39,056)
TOTAL	(39,056)	(39,056)

NOTE NO. 5 - LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Commitment Advance (Unsecured)</u>		
Bangalore Electricity Supply Company Limited	1,43,36,370	1,43,36,370
Chamundeshwari Electricity Supply Company Limited	33,15,930	33,15,930
Gujarat Urja Vikas Nigam Limited	10,00,00,000	10,00,00,000
Gulbarga Electricity Supply Company Limited	41,04,900	41,04,900
Hubli Electricity Supply Company Limited	58,37,280	58,37,280
Mangalore Electricity Supply Company Limited	24,05,520	24,05,520
TOTAL	13,00,00,000	13,00,00,000

Terms of repayment for Unsecured borrowings

Repayable within 15 days from the date of transfer of the Company to its successful bidder.

NOTE NO. 6 - OTHER LONG-TERM LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Others</u>		
Interest Accrued but not due on long-term borrowings	5,02,03,832	3,58,25,977
TOTAL	5,02,03,832	3,58,25,977

NOTE NO. 7 - OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Other payables</u>		
Expenses Payable	37,800	36,750
Statutory dues (TDS Payable)	17,34,078	10,27,460
TOTAL	17,71,878	10,64,390

1768378



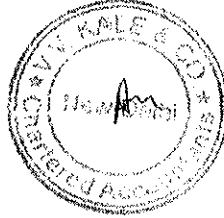
DEOGHAR MEGA POWER LIMITED

CIN:U40300DL2012GOI234839

Notes to the Financial Statements for the year ended March 31, 2018

NOTE NO. 8 - TANGIBLE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Opening Balance as at April 1, 2017	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2018	Opening Balance as at April 1, 2017	For the Year	Deductions/ Adjustments	Closing Balance as at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer & EDP Equipments	1,54,404	-	-	1,54,404	1,27,489	17,000	-	1,44,489	9,915	26,915
Total	1,54,404	-	-	1,54,404	1,27,489	17,000	-	1,44,489	9,915	26,915
Previous Year	1,54,404	-	-	1,54,404	81,345	46,144	-	1,27,489	26,915	73,059



DEOGHAR MEGA POWER LIMITED
CIN:U40300DL2012GOI234839
Notes to the Financial Statements for the year ended March 31, 2018

NOTE NO. 9 - CAPITAL WORK-IN-PROGRESS

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Opening Capital Work-in-progress	10,65,67,643	8,65,97,304
Add: Transferred from Expenditure During Construction Period (Note-13)	4,08,66,485	1,99,60,339
TOTAL	14,74,14,128	10,65,67,643

NOTE NO. 10 - LONG TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
<u>Unsecured, considered good</u>		
Loan and Advance to Related Parties - Power Finance Corporation Ltd. (Holding Co.)	2,85,44,408	5,69,62,465
	2,85,44,408	5,69,62,465

NOTE NO. 11 - OTHER NON-CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
<u>Others</u>		
Interest accrued but not due from related party (Power Finance Corporation Ltd, Holding Company)	55,82,515	30,04,776
TOTAL	55,82,515	30,04,776

NOTE NO. 12 - CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
<u>Balance with bank</u>		
In current account	15,089	4,512
TOTAL	15,089	4,512

NOTE NO. 13 - SHORT TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
<u>Secured against bank guarantee, considered good</u>		
Advance for Consultancy Assignment	7,95,000	7,95,000
TDS receivable	75,699	-
	8,70,699	7,95,000

NOTE NO. 14 - EXPENDITURE DURING CONSTRUCTION PERIOD

Particulars	(Amount in ₹)		
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2017
Manpower Charges	1,94,32,952		54,26,951
Audit Fee	41,300		40,425
Legal & Professional Charges	2,81,653		80,144
Consultancy Charges	12,98,199		4,14,967
Office Maintenance	4,48,658		3,43,624
Printing & Stationery	2,31,982		2,71,312
Vehicle Hiring	3,85,371		3,74,075
Tour & Travelling	5,27,189		4,41,634
Telephone	1,53,626		1,00,574
Outsourcing Expense	38,67,471		-
Office Rent	3,72,307		-
Canteen Expense	4,77,705		3,51,222
Depreciation	17,000		46,144
Bank charges	230		609
<u>Interest Expense</u>			
Interest on utilised portion	1,29,29,551	1,12,85,687	
Add: Interest on unutilised portion	26,53,338	30,04,776	
Less: Interest receivable from PFC on unutilised portion	(26,53,338)	(30,04,776)	1,12,85,687
Security Charges	2,87,236		3,71,298
Prior Period Items(Net)	17,913		-
Other Administrative Expenses	88,242		4,11,043
TOTAL	4,08,66,485		1,99,60,339



- 15 Pursuant to decision of Ministry of Power, Government of India, the Company is to receive Commitment Advance of ₹ 40,00,00,000 from the Power Procuring Utilities (Procurers), as their contribution against allotment of specified quota of power to be made on completion of the project by way of a Power Purchase Agreement with respective Procurers and successful bidder. Till date, the company has received Commitment advance of ₹ 13,00,00,000. The said Commitment Advance has been shown in the Balance Sheet as Long term borrowings. The Company is under no obligation to pay interest on such advances, in view of the para no. 12 of minutes of meeting of Ministry of Power regarding development of UMPP which states that; "Procurers would provide the Commitment Advance for temporary infusion as equity in the SPV to enable it to leverage these funds to borrow. However, as a prudent accounting policy and as per the decision taken by the company/holding company, interest has been provided on the said Commitment Advance. The said Commitment Advance along with accrued interest as per terms of Financing agreement shall be repayable to the procurers within 15 days from the date of transfer of the company by the Holding Company to its successful bidder.
- 16 Pursuant to the Financing Agreement with PFC Ltd. total commitment advance of ₹ 13,00,00,000 (Previous year ₹ 13,00,00,000) received from procurers is parked with the Holding Company (PFC Ltd.) to pay out expenditures for the project on behalf of the company and to invest/ retain remaining unutilized portion of commitment advance as Long-term loans and advances and interest due thereon is appearing under the head other non-current assets in the Balance Sheet.
- 17 The Company pays interest to PFC Ltd. on the expenses incurred by them on behalf of the company from their funds and also to the Procurers on commitment advance bifurcating into fund utilized for the project and funds unutilized at rates as per the policy of the Holding Company/Company. Interest on unutilized portion of fund is receivable from PFC Ltd., the same is payable to procurers on back to back basis and interest on utilized portion is recoverable from selected bidder and same is payable to procurers/PFCL on back to back basis. The rate of interest charged / paid on the utilized amount of funds is as per PFC Ltd i.e. rate of interest for the Project Loan/Schemes (Generation) for Borrowers under category "State Sector Borrowers (Category 'A') as determined from time to time as per their circular and on unutilized portion of funds, the interest received/paid is on "monthly average short term deposit rate of PFC Ltd ". Total interest expense amounting to ₹ 1,55,82,889 (Previous year ₹ 1,42,90,463) has been accounted in the books of account for the year which includes interest of ₹ 26,53,338 (Previous year ₹ 30,04,776) on unutilized portion and ₹ 1,29,29,551 (Previous year ₹ 1,12,85,687) on utilized portion. Interest on utilized portion has been capitalized. Interest payable has been shown under Other Long term liabilities.
- 18 The Company has agreed to pay a sum of ₹ 50,00,00,000 plus applicable taxes to PFCCCL on account of fees for providing advisory & professional services rendered by PFCCCL. The fees for providing advisory & professional services is payable to PFCCCL only when successful bidder for the Project will be selected and company will be transferred to successful bidder therefore no liability has been provided for fees payable to PFCCCL since the same will be charged in the year of transfer of the company to successful bidder only in the event of transfer of the company.
- 19 As per the scheme of setting up of the project, entire expenditure to be incurred by the company for project exploration and initial development work, including interest on funds deployed and Professional Fee of ₹ 50,00,00,000/- plus applicable taxes will be recovered from the successful bidder of the project as acquisition price for purchase of 100% equity shareholding of the company from its holding company, consequent upon which the company along with all its assets and liabilities shall stand transferred to such bidder.
- 20 All the work for the Company are executed by PFC Consulting Ltd (PFCCCL). Manpower Charges of ₹ 1,94,32,952 (Previous year ₹ 54,26,951) of PFCCCL employees is charged by PFCCCL on cost to company basis/rate, as determined by the PFCCCL in proportion to the actual man days spent by the employees for the company as per invoice raised by PFCCCL and include ₹ 10,71,965 (Previous year ₹ NIL) of Sh. P. C. Hembram (Director), ₹ NIL (Previous year ₹ 55,000) of Sh. Yogesh Juneja (Director) and ₹ 1,47,125 (Previous year ₹ NIL) of Sh. R Rahman (Director).
- 21 The expenses appearing as other Administrative Expenses are mainly allocated by PFCCCL to SPV. Direct expenditures related to SPV are allocated on 100% basis and common expenditure are allocated based on sharing of services between various SPV's. Original supporting bills in respect of such expenditure incurred by the PFCCCL are in the name of PFCCCL and retained by them of which copies are available with the Company. PFCCCL is complying with all statutory provisions relating to the Deduction of tax at source and Service tax/ GST etc. as applicable to these expenses.
- 22 Expenditure during Construction Period (Note-14) containing all expenses required to be capitalized has been prepared and the same has been included in Capital work-in-progress.



DEOGHAR MEGA POWER LIMITED
CIN:U40300DL2012GOI234839
Notes to the Financial Statements for the year ended March 31, 2018

23 Disclosures as per Accounting Standard 18 - Related Parties

- (a) No disclosures as regards related party relationships with holding company (PFC Ltd.), subsidiaries and other fellow subsidiaries is made in the financial statements as they are state - controlled enterprises.
- (b) The Key Management Personnel of the Company are employees of the Holding Company (PFC Ltd.) and deployed on Part Time basis. The details of such Key Management Personnel during the year ended 31st March, 2018 are as follows:

S. No.	Name	Designation	Date of Appointment	Date of Resignation
1	Shri R.Nagarajan	Chairman	26.04.2012	01.06.2017
2	Shri R. Rahman	Director	26.02.2016	16.10.2017
3	Shri Yogesh Juneja	Director	26.04.2012	16.10.2017
4	Shri N.B.Gupta #	Chairman	26.04.2012	Continuing
5	Shri Kamlesh Kumar Jangid*	Nominee Director	05.12.2016	Continuing
6	Shri A. S. Nanda	Director	16.10.2017	Continuing
7	Shri P.C. Hembram	Director	16.10.2017	Continuing

* from Power Procuring States

Director since 26.04.2012; Chairman w.e.f. 16.10.2017

24 Auditors' Remuneration (excluding GST/ Service tax)

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fee	35,000	35,000

25 Other Disclosures:

- a) Expenditure in foreign currency – ₹ Nil (Previous Year ₹ Nil)
- b) Income in foreign exchange – ₹ Nil (Previous Year ₹ Nil)
- 26 i) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 1,33,98,930 (inclusive of applicable tax) (Previous year ₹ 1,33,98,930).
- ii) Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the period is Nil (Previous year- Nil).

27 Earnings Per Share

Basic and Diluted 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 year.

S. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Nominal Value of share (₹)	10	10
2	Net Profit after tax used as numerator ₹	-	-
3	Weighted average number of Equity shares used as denominator	50,000	50,000
4	Earnings per share		
	Basic	-	-
	Diluted	-	-

- 28 Since there are no employees in the company, the obligation as per Accounting Standard-15 (Revised) does not arise.



DEOGHAR MEGA POWER LIMITED
CIN:U40300DL2012GOI234839
Notes to the Financial Statements for the year ended March 31, 2018

29 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (Based on the available information with the company):

S. No.	Particulars	For the year ended	For the year ended
		March 31, 2018	March 31, 2017
		Amount (₹)	Amount (₹)
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises	-	-
	- Interest due on above	-	-
(ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the year	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

30 The Company is not in operation. However, the company has adopted period of 12 months for classification of the assets and the liabilities as current and non - current.

31 Applying the principles laid down under Accounting Standard-22 on Taxes on Income, as prescribed under the Companies Act 2013, deferred tax asset has emerged on account of carried forward losses, however in absence of reasonable and virtual certainty of future taxable profits the same has not been recognized in the accounts.

32 Figures have been rounded off to the nearest Rupee unless otherwise stated.

33 Figures for the previous year have been regrouped/ rearranged wherever necessary to confirm to current year's classification.


For and on behalf of Board of Directors


(Purna Chandra Hembram)
Director
DIN:02760881


(Amarjit Singh Nanda)
Director
DIN:07347826


(Naveen Bhushan Gupta)
Chairman
DIN:00530741

As per our report of even date
For & on behalf of
V V Kale & Co.
CHARTERED ACCOUNTANTS
(Firm Reg. No: 000897N)


(VIJAY KALE)
Partner
M. No.: 080821
Place : New Delhi
Date : 17th May, 2018

