P. K. DAS & ASSOCIATES
Chartered Accountants

78/2A, Block-E, New Alipore
Kolkata - 700 053
Phone : 2396 3988 / 2397 4978
E-mail : pdas50@yahoo.com

Independent Auditor's Report
To the Members of Nalanda Power Company Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Statements of Nalanda Power Company Limited ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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 to the extent considered applicable.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used

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and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

   (a) We have sought and 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, the statement of cash flows 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 Company's Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; 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. The Company has no pending litigations which would impact its financial position;

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ii. The Company does not have any long-term contract. Hence, it is not required to make any provision as required under law or accounting standards for material foreseeable losses;

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company (refer Note 13 to the Ind AS financial statements).

For P.K. Das & Associates
Chartered Accountants
FRN: 308082 E

P. K. DAS & ASSOCIATES Chartered Accountants

(Pradyot Kumar Das)
Partner
(Membership Number 13861)

Kolkata
Dated: 16th May, 2017

P. K. DAS & ASSOCIATES
Chartered Accountants

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Annexure - A to Independent Auditor's Report
Referred to in the Independent Auditor's Report of even date to the members of Nalanda Power Company Limited on the financial statements for the year ended March, 31, 2017

i. (a) The Company had been maintaining proper records showing full particulars of Miscellaneous Project Expenses (including Study reports) considered by the management as Capital Work-in-Progress. However, as at 31st March, 2017, the Company did not have any such Capital Work-in-Progress/Fixed Assets.

(b) In view of nature of the Capital Work-in-Progress, physical verification by the management does not arise.

(c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The Company has no inventory and thus the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

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 Act. Therefore, the provisions of Clause 3(iii)(a) to 3(iii)(c) of the said Order are not applicable to the Company.

iv. The provisions of section 185 and 186 of the Act with respect to loans and investments made are not applicable to the Company since it did not have any such loans and investments and hence, the provisions of clause 3(iv) of the said Order are not applicable to the Company.

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

vi. The Central Government has not specified maintenance of cost records under section 148(1) of the Act, and hence, the provisions of clause 3(vi) of the said Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company did not have any dues towards the payment of undisputed statutory dues, including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, duty of customs, value added tax or cess which have not been deposited on account of any dispute.

viii As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

P. K. DAS & ASSOCIATES ★ Chartered Accountants ★

P. K. DAS & ASSOCIATES
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Annexure - A to Independent Auditor's Report
Referred to in the Independent Auditor's Report of even date to the members of Nalanda Power Company Limited on the financial statements for the year ended March, 31, 2017

x. According to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. As no managerial remuneration has been paid by the Company during the relevant financial year, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause 4 (xii) of the Order are not applicable to the Company.

xiii. The Company has not entered into transactions with related parties during the year. Accordingly, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For P.K. Das & Associates
Chartered Accountants
FRN: 308082 E

P. K. DAS & ASSOCIATES ★ Chartered Accountants ★

(Pradyot Kumar Das)
Partner
(Membership Number 13861)

Kolkata
Dated: 16th May, 2017

P. K. DAS & ASSOCIATES
Chartered Accountants

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Annexure B to Independent Auditor's Report

Referred to in the Independent Auditor's Report of even date to the members of Nalanda Power Company Limited on the financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 ofSection 143 of the Act

1. We have audited the internal financial controls over financial reporting of Nalanda Power Company Limited ("the Company") as of March 31, 2017 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

2. 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 operatingeffectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. 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.

5. 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.

P. K. DAS & ASSOCIATES ★ Chartered Accountants ★

P. K. DAS & ASSOCIATES
Chartered Accountants

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Annexure B to Independent Auditor's Report

Referred to in the Independent Auditor's Report of even date to the members of Nalanda Power Company Limited on the financial statements for the year ended March 31, 2017

Meaning of Internal Financial Controls Over Financial Reporting

6. 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. Acompany's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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

7. 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

8. 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.K. Das & Associates
Chartered Accountants
FRN: 308082 E

P. K. DAS & ASSOCIATES * Chartered Accountants *

(Pradyot Kumar Das)
Partner
(Membership Number 13861)

Kolkata
Dated: 16th May, 2017

Nalanda Power Company Limited

Registered Office: 6 Church Lane, 1st Floor, Kolkata – 700 001.
CIN : U40104WB2008PLC125228

Balance Sheet as at March 31, 2017

(Rs. in thousands)

Particulars	Notes	March 31, 2017	March 31, 2016	April 1, 2015
A. ASSETS				
1. Non-current assets				
a) Property, plant and equipment	4		-	-
b) Capital work in progress	4	-	4,596.68	4,596.68
Total non-current assets		-	**4,596.68**	**4,596.68**
2. Current assets				
a) Financial assets				
i) Cash and cash equivalents	5	295.44	334.52	386.95
Total current assets		**295.44**	**334.52**	**386.95**
Total assets		**295.44**	**4,931.20**	**4,983.63**
B. EQUITY AND LIABILITIES				
1. Equity				
a) Equity share capital	6	13,500.00	13,500.00	13,500.00
b) Other equity	7	(13,239.06)	(8,597.43)	(8,544.46)
Total Equity		**260.94**	**4,902.57**	**4,955.54**
2. Liabilities				
Current liabilities				
a) Financial liabilities				
i) Other financial liabilities	8	31.50	28.63	25.28
b) Other current liabilities	9	3.00	-	2.81
Total current liabilities		**34.50**	**28.63**	**28.09**
Total liabilities		**34.50**	**28.63**	**28.09**
Total equity and liabilities		**295.44**	**4,931.20**	**4,983.63**

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

For P K Das & Associates
Chartered Accountants
Firm Registration No. 308082E

Pradyot Kumar Das
Partner
Membership No. 13861

P. K. DAS & ASSOCIATES Chartered Accountants

Kolkata
16th May, 2017

For and on behalf of the Board of Directors

Director

Pradip Kumar Basu
Director

Nalanda Power Company Limited

Registered Office: 6 Church Lane, 1st Floor, Kolkata – 700 001.
CIN : U40104WB2008PLC125228

Statement of profit and loss for the year ended March 31, 2017

(Rs. in thousands)

Particulars	Notes	2016-17	2015-16
Revenue from operations		-	-
Total income		-	-
Expenses		-	-
Other expenses	10	44.95	52.97
Total expenses		**44.95**	**52.97**
Profit / (Loss) before exceptional items and tax		**(44.95)**	**(52.97)**
Exceptional items	11	(4,596.68)	-
Profit / (Loss) before tax		**(4,641.63)**	**(52.97)**
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
Profit / (Loss) for the period from continuing operations		**(4,641.63)**	**(52.97)**
Discontinued operations			
Profit from discontinued operation before tax		-	-
Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations		-	-
Profit / (Loss) for the year		**(4,641.63)**	**(52.97)**
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		**(4,641.63)**	**(52.97)**
Earning per equity share for profit from continuing operations attributable to owners of Nalanda Power Company Limited:	12		
Basic earnings per share (Rs.)		(3.44)	(0.04)
Diluted earnings per share (Rs.)		(3.44)	(0.04)

This is the Statement of Profit and Loss referred to in our Report of even date.

For P K Das & Associates
Chartered Accountants
Firm Registration No. 308082E

P. K. DAS & ASSOCIATES Chartered Accountants

Pradyot Kumar Das
Partner
Membership No. 13861

Kolkata
16th May, 2017

For and on behalf of the Board of Directors

Director

Pradip Kumar Bas
Director

Nalanda Power Company Limited
Registered Office: 6 Church Lane, 1st Floor, Kolkata – 700 001.
CIN : U40104WB2008PLC125228

Statement of Cash Flows for the year ended March 31, 2017

(Rs. in thousands)

	Particulars	2016-17	2015-16
A.	**Cash flow from Operating Activities**		
	Profit before Taxation	(4,641.63)	(52.97)
	Adjustments for :		
	Capital work in progress written off	4,596.68	-
	Operating Profit before Working Capital changes	**(44.95)**	**(52.97)**
	Adjustments for :		
	Increase/(Decrease) from Current Other financial liabilities	2.87	3.35
	Increase/(Decrease) from Other current liabilities	3.00	(2.81)
	Net cash flow from Operating Activities	**(39.08)**	**(52.43)**
B.	**Cash flow from Investing Activities**	-	-
C.	**Cash flow from Financing Activities**	-	-
	Net Increase / (decrease) in cash and cash equivalents	**(39.08)**	**(52.43)**
	Cash and Cash equivalents at the beginning of the financial year	**334.52**	**386.95**
	Cash and Cash equivalents at the end of the financial year	**295.44**	**334.52**

Reconciliation of cash and cash equivalents as per Statement of Cash Flows :

Particulars	2016-17	2015-16
Cash and cash equivalents (Refer Note 5)	295.44	334.52
Bank overdrafts	-	-
Balances as per Statement of Cash Flows	**295.44**	**334.52**

a) The Statement of Cash Flows has been prepared under the indirect method as given in the India Accounting Standard (IND AS 7) on Statement of Cash Flows.

b) The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

For P K Das & Associates
Chartered Accountants
Firm Registration No. 308082E

P. K. DAS & ASSOCIATES Chartered Accountants

Pradyot Kumar Das
Partner
Membership No. 13861

Kolkata
16th May, 2017

For and on behalf of the Board of Directors

Director

Pradip Kumar Basu
Director

Nalanda Power Company Limited
Registered Office: 6 Church Lane, 1st Floor, Kolkata – 700 001.
CIN : U40104WB2008PLC125228

Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

(Rs. in thousands)

For financial year ended 31 March 2017			For financial year ended 31 March 2016		
Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
13,500.00	-	13,500.00	13,500.00	-	13,500.00

B. Other Equity

For financial year ended 31 March 2017

(Rs. in thousands)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	-	(8,597.43)	-	-	-	-	-	-	-	**(8,597.43)**
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	(8,597.43)	-	-	-	-	-	-	-	**(8,597.43)**
Total Comprehensive Income for the year	-	-	-	-	(4,641.63)	-	-	-	-	-	-	-	**(4,641.63)**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified):	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	**-**	**-**	**-**	**-**	**(13,239.06)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13,239.06)**

For financial year ended 31 March 2016

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	-	(8,544.46)	-	-	-	-	-	-	-	**(8,544.46)**
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	(8,544.46)	-	-	-	-	-	-	-	**(8,544.46)**
Total Comprehensive Income for the year	-	-	-	-	(52.97)	-	-	-	-	-	-	-	**(52.97)**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified):	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	**-**	**-**	**-**	**-**	**(8,597.43)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8,597.43)**

For P K Das & Associates
Chartered Accountants
Firm Registration No. 308082E

P K DAS & ASSOCIATES ★ Chartered Accountants

Pradyot Kumar Das
Partner
Membership No. 13861

Kolkata 16th May, 2017

For and on behalf of the Board of Directors

Director

Pradip Kumar Basu
Director

Nalanda Power Company Limited
Registered Office: 6 Church Lane, 1st Floor, Kolkata – 700 001.
CIN : U40104WB2008PLC125228

Significant accounting policies and notes to the accounts
For financial year ended March 31, 2017

1 Corporate information

Nalanda Power Company Limited ("the Company") is a limited company incorporated and domiciled in India. Its registered office is located at 6 Church Lane, 1st floor, Kolkata -700 001, India.

The Company had been in the process of setting up of a power plant but the commercial production was not commenced. The Company has not operated in any other segment as yet. The Company is exploring future business opportunities in order to improve the Company's financial health.

2 Significant accounting policies, judgements and estimates

Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 to the extent applicable.

For all the periods upto and including quarter and the year ended March 31, 2016, the financial statements were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is given in Note 19.

The financial statements are presented in Indian rupees.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost convention.

2.3 Use of estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3 Summary of significant accounting policies

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

3.1 Financial asset

i) Initial measurement

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:
1) financial assets measured at amortised cost
2) financial assets measured at fair value through other comprehensive income
3) financial assets measured at fair value through profit and loss and

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

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3.2 Financial liability

i) Initial measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include other payables.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

1) financial liabilities measured at amortised cost
2) financial liabilities measured at fair value through profit and loss

3.3 Capital work in progress

Capital work in progress is stated at cost net of accumulated impairment losses, if any.

3.4 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks. For the purposes of the cash flow statement, cash and cash equivalents include cash in banks.

3.5 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

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Registered Office: 6 Church Lane, 1st Floor, Kolkata – 700 001.
CIN : U40104WB2008PLC125228

Significant accounting policies and notes to the accounts
For financial year ended March 31, 2017

4 Property, plant and equipment

(Rs. in thousands)

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Capital work in progress
Gross carrying value	-	-	-	-	-	-		
Deemed cost as at April 01, 2015	-	-	-	-	-	-	-	4,596.68
Additions	-	-	-	-	-	-	-	
Disposals / adjustments	-	-	-	-	-	-	-	
At March 31, 2016	-	-	-	-	-	-	-	4,596.68
At April 01, 2016								4,596.68
Additions	-	-	-	-	-	-	-	
Disposals / adjustments (Refer Note 11)	-	-	-	-	-	-	-	(4,596.68)
Gross carrying amount as at March 31, 2017								-
Accumulated depreciation								
At April 01, 2015	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-
At March 31, 2016	-	-	-	-	-	-	-	-
At April 1, 2016								
Depreciation expense	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-
At March 31, 2017								
Net carrying value March 31, 2017								-
Net carrying value March 31, 2016	-	-	-	-	-	-	-	4,596.68
Net carrying value April 01, 2015	-	-	-	-	-	-	-	4,596.68

P. K. DAS & ASSOCIATES ★ Chartered Accountants ★

Nalanda Power Company Limited

Registered Office: 6 Church Lane, 1st Floor, Kolkata – 700 001.
CIN : U40104WB2008PLC125228

Significant accounting policies and notes to the accounts
For financial year ended March 31, 2017

5 Cash and cash equivalents

(Rs. in thousands)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
- In current accounts	295.44	334.52	386.95
Total	**295.44**	**334.52**	**386.95**

Note : For the purpose of cash flow statement, cash and cash equivalents comprise of Rs. 295.45 thousands (31 March 2016: Rs. 334.52 thousands)

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6 Equity share capital

(Rs. in thousands)

a)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Authorised			
50,00,000 Equity Shares of Rs.10/- each	50,000	50,000	50,000
Issued, subscribed and paid-up capital			
13,50,000 Equity Shares of Rs.10/- each	13,500	13,500	13,500
Total	**13,500**	**13,500**	**13,500**

b) **Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No of shares	Rs. in thousands	No of shares	Rs. in thousands	No of shares	Rs. in thousands
Number of shares outstanding at the beginning of the period	1,350,000	13,500	1,350,000	13,500	1,350,000	13,500
Increase/(Decrease) during the period	-	-	-	-	-	-
Number of shares outstanding at the end of the period	1,350,000	13,500	1,350,000	13,500	1,350,000	13,500

c) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. No dividend has been declared for distribution to the Company's shareholders since inception. In the event of liquidation of the company, the holders of equity shares are eligible to receive the remaining assets of the company after distribution of all the preferential amounts, in proportion to their shareholding.

d) **Shares of the company held by holding/ ultimate holding company**

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
Name of the shareholder	Number of shares	%	Number of shares	%	Number of shares	%
CESC Limited (Holding Company)	1,350,000	100%	1,350,000	100%	1,350,000	100%

e) **Details of shareholders holding more than 5% shares in the Company**

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
Name of the shareholder	Number of shares	%	Number of shares	%	Number of shares	%
CESC Limited (Holding Company)	1,350,000	100%	1,350,000	100%	1,350,000	100%

f) In the period of five years immediately preceding March 31, 2017, the Company has neither issued bonus shares, bought back any equity shares nor has not allotted any equity shares as fully paid up without payment being received in cash.

g) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

7 Other equity

(Rs. in thousands)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
a) **Retained earnings** Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	(13,239)	(8,597)	(8,544)
b) **Other items of other comprehensive income** Other items of other comprehensive income consists of re-measurement of net defined benefit liability/asset (actuarial gains and losses)	-	-	-
Total	(13,239)	(8,597)	(8,544)

a) **Retained earnings**

(Rs. in thousands)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	(8,597.43)	(8,544.46)	(8,479.30)
Net profit for the period	(4,641.63)	(52.97)	(65.16)
Closing balance	(13,239.06)	(8,597.43)	(8,544.46)

8 Other financial liabilities

(Rs. in thousands)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Others :			
Auditors' remuneration	31.50	28.63	25.28
Total	**31.50**	**28.63**	**25.28**

9 Other current liabilities

(Rs. in thousands)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Statutory dues payable	3.00	-	2.81
Total	**3.00**	-	**2.81**

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10 Other expenses

(Rs. in thousands)

Particulars	2016-17	2015-16
Rates and taxes	1.90	1.90
Auditors' remuneration		
Statutory Audit fees	34.50	28.63
Consulancy and Professional Fees	3.00	11.80
Miscellaneous Expenses	5.55	10.64
Total	**44.95**	**52.97**

11 Exceptional item

(Rs. in thousands)

Particulars	2016-17	2015-16
Capital work in progress written off	4,596.68	-
Total	**4,596.68**	-

Note : Capital Work in Progress represents indirect expenses incurred incidental to setting up of a 2000 MW Thermal power plant at Pirpainti Anchal near Bhagalpur in the State of Bihar till 31.03.2016, the commercial production of which has not yet commenced. Due to uncertainties in the development of the project, the Company considers it prudent to write off in the current financial year the amount which was brought forward as Capital Work in Progress from the previous financial year.

12 Earnings per share (EPS)

The calculation of basic earnings per share at 31 March 2017 was based on the loss attributable to equity shareholders of Rs. 4,641.63 thousands (Previous year Rs. 52.97 thousands) and a weighted average number of equity shares outstanding 1,350,000 (Previous year 1,350,000), calculated as follows:

Particulars	2016-17	2015-16
Face value of equity shares	10.00	10.00
Weighted average number of equity shares outstanding	1,350,000	1,350,000
Profit/ (loss) for the year (continuing operations) (Rs. in thousands)	(4,641.63)	(52.97)
Weighted average earnings per share (basic and diluted) (Rs.)	(3.44)	(0.04)

13 Details of Specified Bank Notes (SBN)

(Rs. in thousands)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

14 i) The Company with its holding company has potential for setting up power plant projects and running them efficiently and accordingly with improvement of sentiment in the thermal power generation scenario in the country on project mode, the Company is confident of setting up new projects on commercially viable basis. The holding Company has also committed to provide continued financial and governance support to the Company. Therefore, the Company is confident about the continuity of its operations and long term viability.

ii) There are no dues to Micro, Small and Medium Enterprises, as required to be disclosed under the "Micro, Small and Medium Enterprise Development Act, 2006" ("the Act") as has been identified on the basis of information available with the Company.

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15 Related party transaction

(a) Parent entities

Name	Relationship	Place of incorporation	Ownership interest		
			31-Mar-17	31-Mar-16	1-Apr-15
CESC Limited	Holding Company	India	100.00%	100.00%	100.00%

(b) **Subsidiaries, associates, joint ventures**

Name	Relationship	Place of incorporation	31-Mar-17	31-Mar-16	1-Apr-15
None					

(c) Related Party Transactions

(Rs. in thousands)

Name	Relationship	Nature of transaction	Amount of transaction		Outstanding Balance		
			2016-17	2015-16	31-Mar-16	31-Mar-17	1-Apr-15
Parent							
CESC Limited	Holding Company	None	Nil	Nil	Nil	Nil	Nil

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16 Financial instruments

a) The amortised cost and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

(Rs. in thousands)

	March 31, 2017			March 31, 2016			April 1, 2015		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets									
Cash and cash equivalents	295.44			334.52			386.95		
Total	**295.44**	-	-	**334.52**	-	-	**386.95**	-	-
Financial liabilities									
Other financial liabilities	31.50			28.63	-	-	25.28	-	-
Total	**31.50**	-	-	**28.63**	-	-	**25.28**	-	-

b) **Fair value hierarchy**

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(Rs. in thousands)

Financial assets and liabilities measured at amortised cost for which fair value are disclosed As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Total financial assets				
Financial liabilities				
Other financial liabilities			31.50	31.50
Total financial liabilities			31.50	31.50

(Rs. in thousands)

Financial assets and liabilities measured at amortised cost for which fair value are disclosed As at 31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Total financial assets	-	-	-	-
Financial liabilities				
Other financial liabilities			28.63	28.63
Total financial liabilities			28.63	28.63

(Rs. in thousands)

Financial assets and liabilities measured at amortised cost for which fair value are disclosed As at 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Total financial assets	-	-	-	-
Financial liabilities				
Other financial liabilities			25.28	25.28
Total financial liabilities			25.28	25.28

c) **Fair value of financial assets and liabilities measured at amortised cost**

(Rs. in thousands)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Cash and cash equivalents	295.44	295.44	334.52	334.52	386.95	386.95
Total financial assets	**295.44**	**295.44**	**334.52**	**334.52**	**386.95**	**386.95**
Financial liabilities						
Other financial liabilities	31.50	31.50	28.63	28.63	25.28	25.28
Total financial liabilities	**31.50**	**31.50**	**28.63**	**28.63**	**25.28**	**25.28**

The carrying amount of cash and cash equivalents and Other financial liabilities are considered to be same as their fair values, due to their short term nature.

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17 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's financial liabilities comprise of other payables. The Company's financial assets comprise of and cash and cash equivalents.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

A. Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk relates to cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis.

Cash and cash equivalents
Cash and cash equivalents comprise of balance with banks which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Rs. in thousands)

	March 31, 2017	March 31, 2016	April 1, 2015
Cash and cash equivalents	295.44	334.52	386.95
Total	**295.44**	**334.52**	**386.95**

B. Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturities of financial liabilities
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments, if any.

(Rs. in thousands)

As at March 31, 2017	Less than 1 year	1-5 years	Total
Other financial liabilities	31.50	-	31.50
Total	**31.50**	-	**31.50**

(Rs. in thousands)

As at March 31, 2016	Less than 1 year	1-5 years	Total
Other financial liabilities	28.63	-	28.63
Total	**28.63**	-	**28.63**

(Rs. in thousands)

As at March 31, 2015	Less than 1 year	1-5 years	Total
Other financial liabilities	25.28	-	25.28
Total	**25.28**	-	**25.28**

C. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices. These will not have any affect the Company's income since the Comapny does not have any exposure to these items.

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18 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to -
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- maintain an optimal capital structure to reduce cost of capital

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves.

The Company does not have any debt. The following is the total equity of the Company.

(Rs. in thousands)

	March 31, 2017	March 31, 2016
Total equity	260.94	4,902.57

The Company has not proposed or declared or paid any dividend during the year (Previous Year : Nil).

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19 Transition to Ind AS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in preparation of an opening Ind AS balance sheet as at April 1, 2015. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exceptions:

1) Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

2) The Company has classified and measured financial assets in accordance with Ind AS 109 on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Exemptions:

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:

1) The Company has elected to apply the deemed cost option available under Para D7AA of Ind AS 101 i.e. all items of property, plant and equipment including Capital work in progress have been recognised in the financial statements as at the date of transition to Ind AS at the carrying value measured as per previous GAAP.

C. Reconciliations:

1. Reconciliation of Equity as at the date of transition

(Rs. in thousands)

Sl No.	Particulars	
A	Equity under IGAAP	4,955.54
B	Changes on account of transition date adjustments	-
	P&L components	-
	OCI components	-
	TOTAL (B)	-
C	**Equity under Ind AS (A+B)**	**4,955.54**

2. Reconciliation of Equity as at March 31, 2016

(Rs. in thousands)

Sl No.	Particulars	
A	Equity under IGAAP	4,902.57
B	Changes on account of transition date adjustments	-
	P&L components	-
	OCI components	-
	TOTAL (B)	-
C	Equity under Ind AS (A+B)	**4,902.57**

3. Reconciliation of total comprehensive income for financial year ended March 31, 2016

(Rs. in thousands)

Sl No.	Particulars	
A	Profit after tax under IGAAP	(52.97)
B	Adjustments :	-
C	Profit after tax under Ind AS (A+B)	**(52.97)**
D	OCI components	-
E	Total Comprehensive Income as per Ind AS (C+D)	**(52.97)**

4. Impact of Ind AS adoption on the Statement of Cash Flows for financial year ended March 31, 2016

(Rs. in thousands)

Particulars	Previous GAAP	Adjustments	Ind AS
Cash flow from operating activities	(52.43)	-	(52.43)
Cash flow from Investing Activities	-	-	-
Cash flow from Financing Activities	-	-	-
Net Increase / (decrease) in cash and cash equivalents	(52.43)	-	(52.43)
Cash and Cash equivalents at the beginning of the financial year	386.95	-	386.95
Cash and Cash equivalents at the end of the financial year	334.52	-	334.52

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D. Notes to first time adoption
Under the previous GAAP, Other Current Liabilities comprising of liability for audit fees have been reclassified under Ind AS as other financial liabilities due to there being a contractual obligations to be settled in cash.

20 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments related to Ind AS7 are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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