



ASHWANI SOOD & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Meja Urja Nigam Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Meja Urja Nigam Private Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit 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 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have 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 appears from our examination of those books
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Ashwani Sood & Associates
Chartered Accountants
Firm Regn. No. 005036N

Date : 2nd May' 2014

Place : New Delhi



(Ashwani Sood)
Partner
M. No. 084242



ASHWANI SOOD & ASSOCIATES
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The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Meja Urja Nigam Private Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1.

- a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. The physical verification of the fixed assets is carried out by professional firm of Chartered Accountants & no discrepancies are reported on such verification.
- c. In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

2.

- a. As explained to us, Construction stores have been physically verified during the year by independent firm of Chartered Accountants.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3.

- a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, securities



or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

- b. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5.
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b. As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act in a financial year are reasonable.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has outsourced the functions of internal audit to a professional firm of Chartered Accountants. In our opinion, such a system is found commensurate with the size and the nature of the business of the company.
8. As per information & explanation given by the management, maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act is not applicable to the Company.



9.

- a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 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 is no amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes. An amount of ₹ 15.88 Lacs is in dispute with Income Tax Authorities.

10. The Company has carried forward accumulated losses of ₹ 2.67 Crores from previous years which are disclosed as per relevant requirements in the financial statements and it has incurred cash loss of ₹ 5.43 Lacs during the financial year covered by our audit and Rs.11.99 Lacs in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.

15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.



16. Based on our audit procedures and on the information given by the management, we report that the company has raised term loans amounting to ₹ 594.33 Crores during the period under audit.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Date : 2nd May' 2014

Place : New Delhi

For Ashwani Sood & Associates

Chartered Accountants

Firm Regn. No. 005036N



(Ashwani Sood)

Partner

M. No. 084242

MEJA URJA NIGAM PRIVATE LIMITED

BALANCE SHEET AS AT

Amount in ₹

Particulars	Note	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	8,248,596,000	7,575,796,000
Reserves and surplus	3	<u>(26,687,159)</u>	<u>(26,144,463)</u>
		8,221,908,841	7,549,651,537
Share Application Money Pending Allotment	4	-	672,800,000
Non-current liabilities			
Long term Borrowings	5	8,743,553,163	2,800,236,758
Other long-term liabilities	6	<u>453,600,399</u>	<u>35,735,583</u>
		9,197,153,562	2,835,972,341
Current liabilities			
Trade Payables	7	17,245,841	10,336,621
Other current liabilities	8	663,302,428	419,415,214
Short-term provisions	9	<u>424,597,098</u>	<u>398,969,356</u>
		1,105,145,367	828,721,191
TOTAL		<u><u>18,524,207,770</u></u>	<u><u>11,887,145,069.00</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	1,600,222,523	1,342,765,484
Intangible assets	10	961,895	1,998,216
Capital work-in-progress	11	10,429,373,594	4,603,705,624
Long-term loans and advances	12	<u>5,752,266,159</u>	<u>5,755,164,836</u>
		17,782,824,171	11,703,634,160
Current assets			
Cash and bank balances	13	732,154,268	181,186,227
Short-term loans and advances	14	6,297,157	2,278,309
Other current assets	15	<u>2,932,174</u>	<u>46,373</u>
		741,383,599	183,510,909
TOTAL		<u><u>18,524,207,770</u></u>	<u><u>11,887,145,069</u></u>

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements.



For and on behalf of the Board of Directors

(A.K. Agarwal)
Director

(Dr Arup Roy Choudhury)
Chairman

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

For Ashwani Sood & Associates
Chartered Accountants
Firm Reg. No. 00503



(Ashwani Sood)
Partner
M No. 84242

Place: New Delhi
Dated 2nd May 2014

MEJA URJA NIGAM PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Particulars	Note	Amount in ₹	
		31.03.2014	31.03.2013
Other income	16	-	-
Total revenue		<u>-</u>	<u>-</u>
Expenses			
Employee benefits expense	17	-	-
Finance Costs	18	-	-
Depreciation and amortization expense	10	-	-
Generation, administration & other expenses	19	542,696	1,199,577
Prior period items (net)	20	-	-
Total expenses		<u>542,696</u>	<u>1,199,577</u>
Profit/(Loss) for the year		<u>(542,696)</u>	<u>(1,199,577)</u>
Significant accounting policies	1		
Expenditure during construction period (net)	21		
Earnings per equity share (Par value of ₹ 10/- each)	27		
Basic		(0.00)	(0.00)
Diluted		(0.00)	(0.00)

The accompanying notes form an integral part of these financial statements.
There are no exceptional or extraordinary items in the above periods.



(A.K. Agarwal)
Director

(Dr Arup Roy Choudhury)
Chairman

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

For Ashwani Sood & Associates
Chartered Accountants
Firm Reg. No. 005036N

(Ashwani Sood)
Partner
M No. 884242



Place: New Delhi
Dated 2nd May 2014

CASH FLOW STATEMENT

	Amount in ₹	
For the year ended	31.03.2014	31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax and Prior Period Adjustments	(542,696)	(1,199,577)
Operating Profit before Working Capital Changes	(542,696)	(1,199,577)
Adjustment for:		
Liabilities & Provisions	276,424,176	7,824,338
Loans & advances	(4,018,848)	(966,073)
Other Current Assets	(2,885,801)	(13,888)
Cash generated from operations	269,519,527	6,844,377
Net Cash from Operating Activities - A	<u>268,976,831</u>	<u>5,644,800</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(5,041,507,582)	(8,549,724,334)
Net Cash Flow from Investing Activities - B	<u>(5,041,507,582)</u>	<u>(8,549,724,334)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	0	5999996180
Proceeds from Long Term Borrowing	5943316405	2800236758
Interest Paid	(619,817,613)	(84,615,022)
Net Cash Flow from Financing Activities - C	<u>5,323,498,792</u>	<u>8,715,617,916</u>
Net increase/Decrease in Bank balances (A+B+C)	550,968,041	171,538,382
Cash and cash equivalent at the begning of the year(See Note 1 below)	181,186,227	9,647,845
Cash and cash equivalent at the end of the year(See Note 1 below)	732,154,268	181,186,227

Note:

1 Cash & cash equivalent included in the cash flow statement comprise of the following balance sheet amount as per note 13

Cash & Cash Equivalents	730,565,196	179687607
Other Bank Balances	1,589,072	1498620
	<u>732,154,268</u>	<u>181,186,227</u>



For and on behalf of the Board of Directors

(Signature)
(A.K. Agarwal)
Director

(Signature)
(Dr Arup Roy Choudhury)
Chairman

This is the Cash flow statement referred to in our report of even date

For Ashwani Sood & Associates
Chartered Accountants
Firm Reg. No. 005036

(Ashwani Sood)
Partner
M No. 084242

Place: New Delhi
Dated 2nd May 2014



MEJA URJA NIGAM PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March 2014

1. Significant accounting policies

A. Basis of preparation

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under and the provision of the Electricity Supply Act 2003, to the extent applicable.

B. Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

C. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
3. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.
4. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
- 5 Assets & System common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

D. Capital work-in-progress

1. Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.
2. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
3. Unsettled liability for price variation in case of contracts is accounted for on estimated basis as per the terms of the contracts.

E. Inventories

1. Inventories are valued at the lower of, cost determined on weighted average basis, and net realizable value.
2. The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

F. Foreign Currency Transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling on the date of the transaction.
2. On the Balance Sheet date, Non-monetary items denominated in foreign currency are reported at the rate of exchange ruling on the date of transaction. Foreign currency monetary items are reported at the closing rate.
- 3 Exchange differences arising from settlement/translation of foreign currency loans (other than regarded as borrowing cost), deposits, liabilities, relating to fixed assets/capital work in progress and settlement/translation of long term foreign currency monetary items are adjusted in the carrying cost of the related assets.

G. Borrowing Cost

1. Borrowing costs attributable to fixed assets during construction are capitalised.



MEJA URJA NIGAM PRIVATE LIMITED

H. Expenditure

1. Depreciation is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2009 provided under Section 616 (c) of the Companies Act, 1956.
2. Depreciation on the following assets is provided based on their estimated useful life:

a) Kutcha Roads	2 years
b) Enabling works	15 years
- residential buildings including their internal electrification.	5 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	
c) Personal computers & laptops including peripherals	5 years
d) Photocopiers and fax machines	5 years
e) Water coolers and refrigerators	12 years
3. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.
4. Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
5. Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less.
6. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.
7. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
8. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.

I. Leases

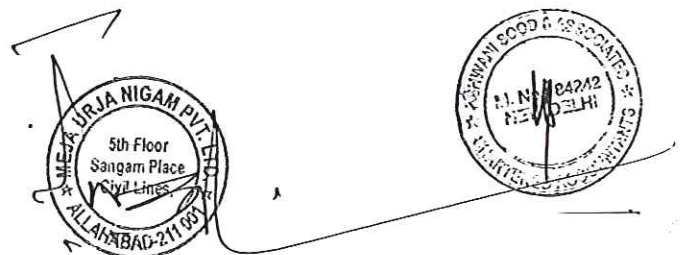
1. Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to revenue

J. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

K. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.



2. Share capital

MEJA URJA NIGAM PRIVATE LIMITED

Amount in ₹

As at	31.03.2014	31.03.2013
Equity share capital		
Authorised		
100,00,00,000 shares of par value of ₹10/- each (previous year 100,00,00,000 shares of par value of ₹10/- each)	<u>10,000,000,000</u>	<u>10,000,000,000</u>

Issued, subscribed and fully paid-up

824,859,600 shares of par value of ₹10/- each (previous year 757,579,600 shares of par value of ₹10/- each)	<u>8,248,596,000</u>	<u>7,575,796,000</u>
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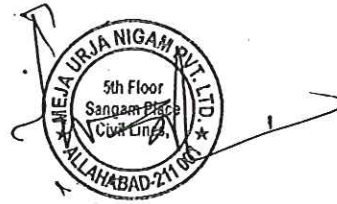
a) The Company has only one class of equity shares having a par value of ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

b) Reconciliation of Share Capital

	31.03.2014		31.03.2013	
	No.	Amount	No.	Amount
Outstanding at the beginning of the year	757,579,600	7,575,796,000	214,859,600	2,148,596,000
Shares issued during the year	67,280,000	672,800,000	542,720,000	5,427,200,000
Outstanding at the end of the year	<u>824,859,600</u>	<u>8,248,596,000</u>	<u>757,579,600</u>	<u>7,575,796,000</u>

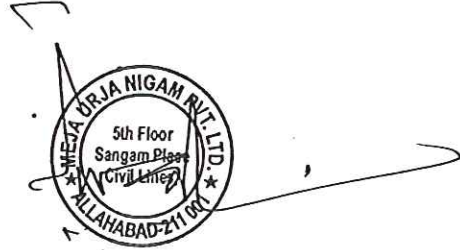
c) Detail of Shareholder's holding more than 5% shares in the company

Particulars	31.03.2014		31.03.2013	
	No. of shares	% age holding	No. of shares	% age holding
-NTPC LTD	412,429,800	50%	378,789,800	50%
-UPRVUNL	412,429,800	50%	378,789,800	50%



3. Reserves and surplus **MEJA URJA NIGAM PRIVATE LIMITED**

As at	Amount in ₹	
	31.03.2014	31.03.2013
Surplus in the statement of profit & loss		
As per last financial statements	(26,144,463)	(24,944,886)
Add: Profit/(Loss) for the year from statement of Profit & Loss	<u>(542,696)</u>	<u>(1,199,577)</u>
Net surplus	<u>(26,687,159)</u>	<u>(26,144,463)</u>
Total	<u><u>(26,687,159)</u></u>	<u><u>(26,144,463)</u></u>



MEJA URJA NIGAM PRIVATE LIMITED

4. Share Application Money Pending Allotment

	Amount in ₹	
As at	31.03.2014	31.03.2013
Share Application Money pending Allotment		
From NTPC Ltd	-	336,400,000
From UPRVUNL	-	336,400,000
	<u>-</u>	<u>672,800,000</u>

67,280,000 Equity shares of Rs. 10/- each in the ratio of 50:50 have been issued to the above shareholders at par. The shares have been allotted in the 29th Board Meeting held on 05th March 2014.



5. Long-term borrowings

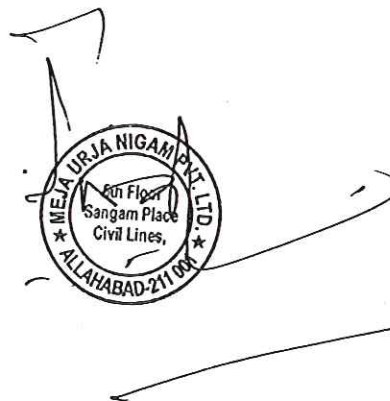
As at	Amount in ₹	
	31.03.2014	31.03.2013
Term loans		
Secured		
From Banks	7,716,169,893	2,481,153,488
From financial institutions	1,027,383,270	319,083,270
Total	<u>8,743,553,163</u>	<u>2,800,236,758</u>

Term Loan Details

- i Term loan tied up with a consortium of 18 banks and financial institutions carries interest linked to SBI Base Rate (floating), with monthly rests. The loan is repayable in 40 quarterly installments, after expiration of moratorium period of 5 years, as per the terms of the Common Loan Agreement. The repayment period extends for a period of ten years. Repayment of the loan shall commence from 27.09.2017.
- ii There has been no default in repayment of the loan or interest thereon as at the end of the year.

Security Details

- i Rupee term Loan Facility is Secured by Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Meja Thermal Power Project. Deed of Hypothecation for all present and future movable assets of Meja Urja Nigam Private Limited has also been executed with the Security Trustee and Indenture of Mortgage executed with the Security Trustee has been registered with the appropriate authority.

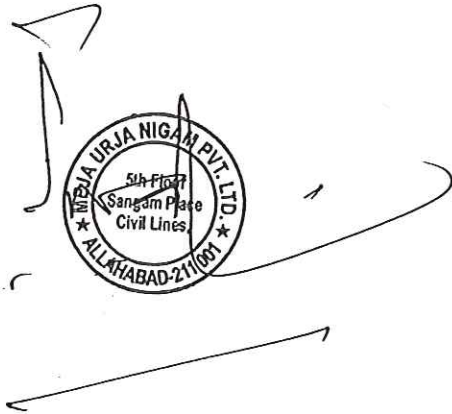


MEJA URJA NIGAM PRIVATE LIMITED

6. Other long-term liabilities

As at	Amount in ₹	
	31.03.2014	31.03.2013
Other liabilities		
Payable for capital expenditure	453,600,399	35,735,583
Total	453,600,399	35,735,583

- a) Disclosure w.r.t. micro, small and medium enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT) is made in Note 28

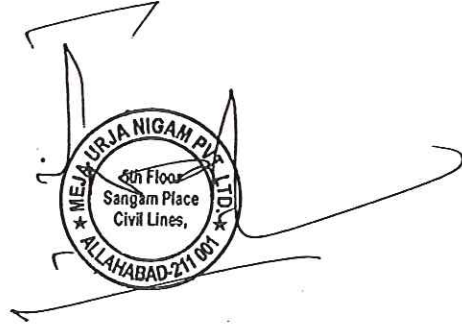


MEJA URJA NIGAM PRIVATE LIMITED

7. Trade payables

	Amount in ₹	
As at	31.03.2014	31.03.2013
For goods and services	17,245,841	10,336,621
Total	17,245,841	10,336,621

a) Disclosure w.r.t. micro and small enterprises as required by the MSMED Act is made in Note 28



MEJA URJA NIGAM PRIVATE LIMITED

8. Other current liabilities

As at	Amount in ₹	
	31.03.2014	31.03.2013
Payable for capital expenditure	553,029,752	319,275,619
Book overdraft	7,055,230	
Other payables		
Tax deducted at source and other statutory dues	8,041,855	6,183,099
Deposits from Contractors and others	32,874,361	28,806,817
Payable to NTPC Ltd (Joint Venturer)	46,048,656	48,493,461
Payable to Employees	15,115,167	15,726,770
Payable to Others	1,137,407	929,448
Total	663,302,428	419,415,214

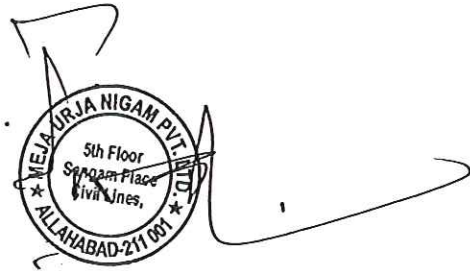
- a) Payable to NTPC includes amounts payable on account of Provident Fund and other dues of employees on secondment, reimbursement of expenditure incurred on behalf of company, rent, etc
- b) Disclosure w.r.t. micro, small and medium enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT) is made in Note 28



MEJA URJA NIGAM PRIVATE LIMITED
MEJA URJA NIGAM PRIVATE LIMITED

9. Short-term provisions

	Amount in ₹	
As at	31.03.2014	31.03.2013
Provision for obligations incidental to land acquisition		
Opening balance	398,969,356	475,791,602
Additions during the year	37,900,000	-
Amounts paid during the year	12,272,258	76,822,246
Closing balance	424,597,098	398,969,356
Total	424,597,098	398,969,356



MEJA URJA NIGAM PRIVATE LIMITED

10. Tangible assets

	Gross Block			Depreciation/Amortisation			Net Block		
	As at 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land : (including development expenses)									
Freehold	1,032,818,109	-	(37,828,763)	1,070,646,872	-	-	-	1,070,646,872	1,032,818,109
Roads, Bridges & culverts	21,322,196	-	-	21,322,196	232,283	712,161	944,444	20,377,752	21,089,913
Buildings	239,220,912	138,617,895	(892,625)	378,731,432	23,077,868	25,042,314	48,120,182	330,611,250	216,143,044
Water supply, drainage & Sewerage system	6,239,969	5,894,996	-	12,134,965	1,029,594	1,424,866	2,454,460	9,680,505	5,210,375
Plant and machinery	5,761,229	2,730,284	-	8,491,513	451,459	452,783	904,242	7,587,271	5,309,770
Furniture and fixtures	15,049,838	8,755,289	-	23,805,127	2,630,780	2,090,930	4,681,710	19,123,417	12,419,058
Vehicles	-	-	-	-	-	-	-	-	-
Owned	1,220,914	-	-	1,220,914	418,407	115,987	534,394	686,520	802,507
Office equipment	7,215,474	4,946,984	-	12,162,458	1,407,207	1,237,546	2,644,753	9,517,705	5,808,267
EDP, WP machines and satcom equipment	6,078,981	1,165,447	-	7,244,428	2,082,139	1,175,765	3,257,904	3,986,524	3,996,842
Electrical installations	37,931,261	94,690,522	-	132,621,783	1,239,506	7,002,153	8,241,659	124,380,124	36,691,755
Communication equipments	2,579,718	1,337,632	-	3,917,350	103,874	188,893	292,767	3,624,583	2,475,844
Total	1,375,438,601	258,139,049	(38,721,388)	1,672,299,038	32,673,117	39,403,398	72,076,515	1,600,222,523	1,342,765,484
Previous year	1,084,130,875	194,909,326	(96,398,400)	1,375,438,601	11,114,126	21,012,131	32,673,117	1,342,765,484	1,073,016,749

Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

	Gross Block	Depreciation/Amortisation
Others	31.03.2014 (38,721,388.00)	31.03.2013 (546,860.00)
	31.03.2014 (38,721,388.00)	31.03.2013 (546,860.00)

Intangible assets

	Gross Block			Amortisation			Net Block		
	As at 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Software	3,387,570	-	-	3,387,570	1,389,354	1,036,321	2,425,675	961,895	1,998,216
Total	3,387,570	-	-	3,387,570	1,389,354	1,036,321	2,425,675	961,895	1,998,216
Previous year	614,646	2,772,924	-	3,387,570	273,191	1,117,289	1,389,354	1,998,216	541,455

Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

	Gross Block	Depreciation/Amortisation
Others	31.03.2014 -	31.03.2013 1,126.00
	31.03.2014 -	31.03.2013 1,126.00

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

Transferred to expenditure during construction period (net) - Note 20	31.03.2014	31.03.2013
Transferred to development of coal mines	40,439,719.00	22,129,420.00
	40,439,719.00	22,129,420.00

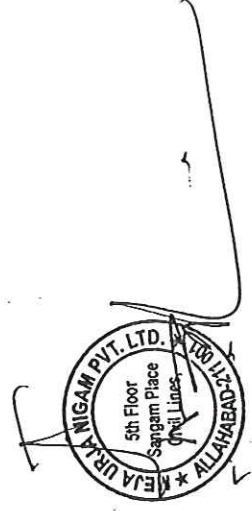


MEJA URJA NIGAM PRIVATE LIMITED

11. Capital work-in-progress

	Amount in ₹	
	As at 01.04.2013	As at 31.03.2014
Development of land	759,825,055	753,441,649
Roads, bridges, culverts & helipads	64,909,373	112,547,645
Buildings :		
Main plant	166,097,860	431,875,843
Others	133,512,511	118,541,084
Temporary erection	1,586,260	851,943
Water supply, drainage and sewerage system	12,590,930	14,055,516
Earth dam reservoir	19,825,086	25,623,751
Plant and machinery	1,000,332,138	4,375,511,177
Furniture and fixtures	88,000	88,000
Electrical installations	71,263,494	245,000
Communication equipment	636,996	1,262,716
Railway Siding	72,674,344	403,734,433
	2,303,254,047	6,237,778,757
	4,183,835,232	239,035,927
Expenditure pending allocation		
Survey, investigation, consultancy and supervision charges	577,127,607	715,312,906
Expenditure during construction period (net)	1,222,962,358	2,203,759,487
	980,797,129 *	-
	139,683,061	1,497,762
	5,304,315,422	11,772,357
Construction stores		
Total	500,361,612	(772,160,832)
Previous year	4,603,705,624	(760,388,475)
	1,707,832,006	(381,599,902)
	2,697,917,879	183,644,163
	5,304,315,422	239,035,927
	11,772,357	239,035,927
	(772,160,832)	-
	(760,388,475)	239,035,927
	(381,599,902)	183,644,163

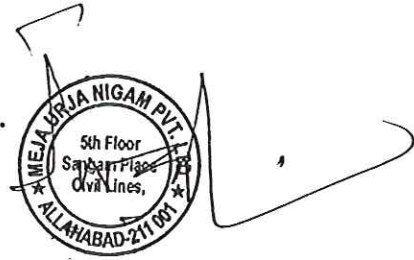
* Brought from expenditure during construction period (net) - Note 21



MEJA URJA NIGAM PRIVATE LIMITED

12. Long-term loans and advances (Considered good, unless otherwise stated)

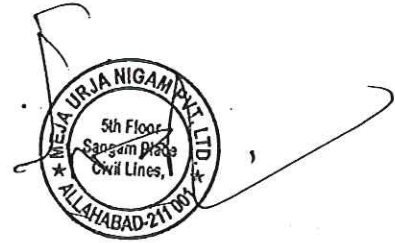
As at	Amount in ₹	
	31.03.2014	31.03.2013
Capital Advances		
Unsecured		
Covered by bank guarantee	5,031,200,956	5,342,966,170
Others	691,866,021	409,045,057
Security Deposits	18,273,600	
Advance Tax and Tax Deducted at Source	10,925,582	3,153,609
Total	5,752,266,159	5,755,164,836



MEJA URJA NIGAM PRIVATE LIMITED

13. Cash and bank balances

	Amount in ₹	
As at	31.03.2014	31.03.2013
Cash & cash equivalents		
Balances with banks		
- Current accounts	19,637,363	48,670,014
- Deposits with original maturity of less than three months	710,927,833	131,017,593
Other bank balances		
Deposits with original maturity of more than three months but not more than twelve months	1,589,072	1,498,620
Total	732,154,268	181,186,227



MEJA URJA NIGAM PRIVATE LIMITED

14. Short-term loans and advances (Considered good, unless otherwise stated)

	Amount in ₹	
As at	31.03.2014	31.03.2013
Advances		
Employees		
Unsecured	20,257	51,487
Contractors and Suppliers		
Unsecured	4,686,397	
Others*		
Unsecured	1,590,503	2,226,822
	6,297,157	2,278,309
Total	6,297,157	2,278,309

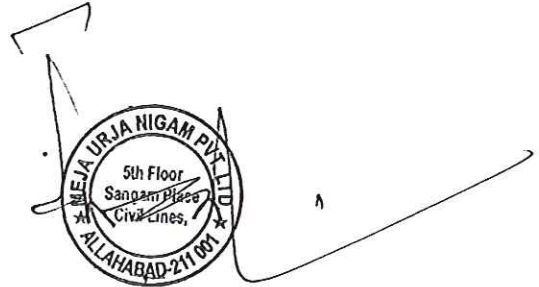
* Others include prepaid expenses, deposits for premises rented for employees, etc



MEJA URJA NIGAM PRIVATE LIMITED

15. Other current assets

	Amount in ₹	
As at	31.03.2014	31.03.2013
Interest accrued on :		
Term deposits	2,932,174	46,373
Total	2,932,174	46,373

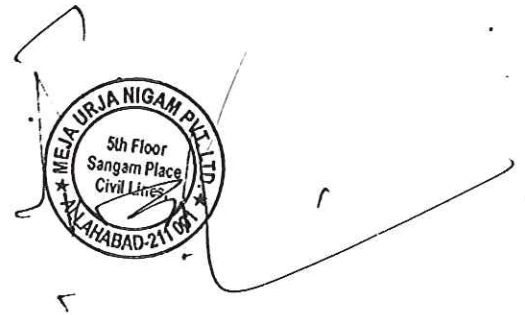


MEJA URJA NIGAM PRIVATE LIMITED

16. Other income

	Amount in ₹	
For the year ended	31.03.2014	31.03.2013
Other non-operating income		
Earnest Money Deposit forfeited	11,000	19,140,000
Miscellaneous income*	906,709	478,303
	917,709	19,618,303
Less: Transferred to expenditure during construction period (net) - Note 21	917,709	19,618,303
Total	-	-

* Miscellaneous income includes recoveries from contractors/suppliers , recovery for use of vehicle, etc



MEJA URJA NIGAM PRIVATE LIMITED

17. Employee benefits expense

	Amount in ₹	
For the year ended	31.03.2014	31.03.2013
Salaries and wages	164,655,507	124,013,470
Contribution to provident and other funds	29,270,033	56,273,979
Staff welfare expenses	15,387,781	5,970,439
	<u>209,313,321</u>	<u>186,257,888</u>
Transferred to expenditure during construction period (net)- Note 21	<u>209,313,321</u>	<u>186,257,888</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>

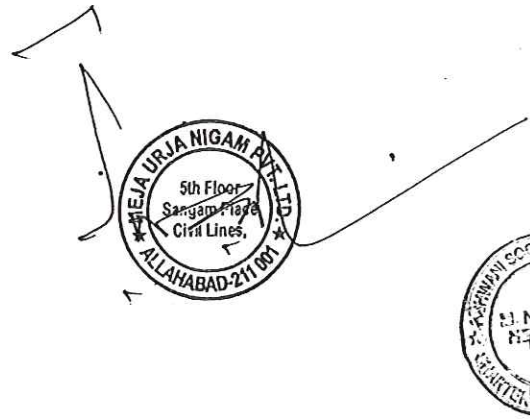
- a) All employees of the Company are on secondment from NTPC Ltd.
- b) Employee benefit expenses include ₹ 29,270,033 (Previous Year ₹ 47,529,207) debited by NTPC Ltd towards leave, superannuation and other benefits in respect of employees posted on secondment basis from NTPC Ltd



MEJA URJA NIGAM PRIVATE LIMITED

18. Finance costs

	Amount in ₹	
For the year ended	31.03.2014	31.03.2013
Interest on		
Rupee term loans	691,121,382	101,317,716
Less: Interest received from banks	71,303,769	16,702,694
	<u>619,817,613</u>	<u>84,615,022</u>
Other borrowing costs		
Up-front, Syndication and Underwriting fees	-	425,550,377
Others	2,354,491	6,895,703
	<u>2,354,491</u>	<u>432,446,080</u>
Sub-Total	622,172,104	517,061,102
Less: Transferred to expenditure during construction period (net) - Note 21	622,172,104	517,061,102
Total	<u>-</u>	<u>-</u>



MEJA URJA NIGAM PRIVATE LIMITED

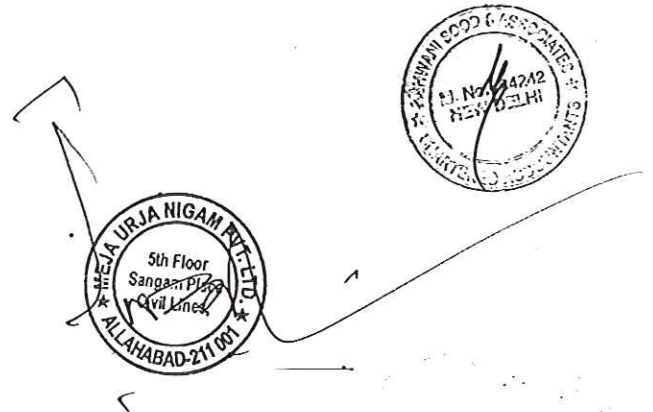
19. Generation, administration & other expenses

For the year ended	Amount in ₹	
	31.03.2014	31.03.2013
Power charges	20,075,316	5,185,959
Less: Recovered from contractors & employees	<u>523,873</u>	<u>82,766</u>
	19,551,443	5,103,193
Water charges	146,976	150,336
Rent	2,507,252	2,164,882
Repairs & maintenance		
Buildings	8,449,305	5,634,071
Others	5,722,680	2,120,612
Insurance	121,604	82,915
Rates and taxes	157,654	-
Training expenses	542,696	1,199,577
Professional Charges & Consultancy fee	1,171,547	367,678
Communication expenses	3,186,802	5,892,270
Travelling expenses	16,902,684	11,142,554
Tender expenses	8,883,560	9,155,058
Less: Receipt from sale of tenders	<u>107,419</u>	<u>145,247</u>
	8,776,141	9,009,811
Payment to auditors (refer details below)	317,592	185,452
Advertisement and publicity	201,297	545,287
Security expenses	13,056,082	7,270,244
Expenses for guest house	5,496,193	2,887,390
Less: Recoveries	<u>127,426</u>	<u>73,797</u>
	5,368,767	2,813,593
Tree Plantation outside plant	-	2,755,208
Books and periodicals	29,415	314,169
Legal expenses	2,858,535	325,209
EDP hire and other charges	2,780,918	1,824,377
Printing and stationery	1,215,924	430,998
Hiring of vehicles	9,050,629	5,057,975
Bank charges	2,795,046	2,762,056
Miscellaneous expenses	5,421,401	3,609,873
	<u>110,332,390</u>	<u>70,762,340</u>
Transferred to expenditure during construction period (net) - Note 21	<u>109,789,694</u>	<u>69,562,762</u>
	<u>542,696</u>	<u>1,199,577</u>

b) Details in respect of payment to auditors:

As auditor

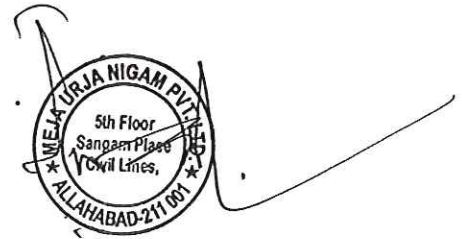
Audit fee	89,888	89,888
Tax Audit Fees	67,416	-
Reimbursement of expenses	98,125	22,530
Certification fees	62,163	73,034
	<u>317,592</u>	<u>185,452</u>



MEJA URJA NIGAM PRIVATE LIMITED

20. Prior period items (Net)

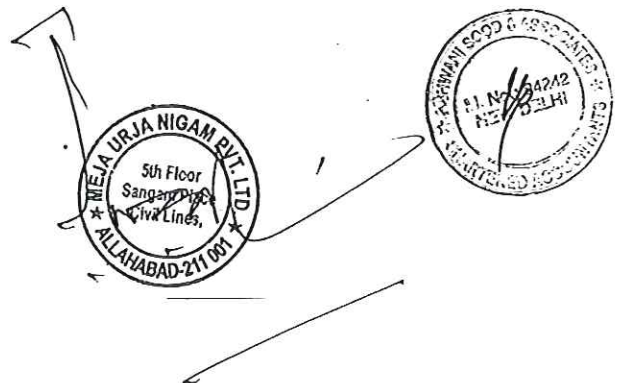
For the year ended	Amount in ₹	
	31.03.2014	31.03.2013
REVENUE	-	-
EXPENDITURE		
Depreciation and amortisation	-	545,734
	-	545,734
Net Expenditure/(Revenue)	-	545,734
Less: Transferred to expenditure during construction period (net)- Note 21	-	545,734
Total	-	-



MEJA URJA NIGAM PRIVATE LIMITED

21. Expenditure during construction period (net)

For the year ended	Amount in ₹	
	31.03.2014	31.03.2013
A. Employee benefits expense		
Salaries and wages	164,655,507	124,013,470
Contribution to provident and other funds	29,270,033	56,273,979
Staff welfare expenses	15,387,781	5,970,439
Total (A)	209,313,321	186,257,888
B. Finance Cost		
Interest of Rupee Term Loan	691,121,382	101,317,716
Other Borrowing Cost		
Upfront, Syndication and Underwriting Fees	-	425,550,377
Others	2,354,491	6,895,703
	693,475,873	533,763,796
Less interest received from banks	71,303,769	16,702,694
Total (B)	622,172,104	517,061,102
C Depreciation and amortisation	40,439,719	22,129,420
D. Generation , administration and other expenses		
Power charges	20,075,316	5,185,959
Less: Recovered from contractors & employees	523,873	82,766
	19,551,443	5,103,193
Water charges	146,976	150,336
Rent	2,507,252	2,164,882
Repairs & maintenance		
Buildings	8449305	5634071
Others	5722680	2120612
	14,171,985	7,754,683
Insurance	121,604	82,915
Rates and taxes	157,654	-
Professional charges & Consultancy fee	1,171,547	367,678
Communication expenses	3,186,802	5,892,270
Travelling expenses	16,902,684	11,142,554
Audit Expenses	317,592	185,452
Tender expenses	8883560	9155058
Less: Income from sale of tenders	107419	145247
	8,776,141	9,009,811
Advertisement and publicity	201,297	545,287
Security expenses	13,056,082	7,270,244
Guest house expenses	5496193	2887390
Less: Receipts from Guest House	127426	73797
	5,368,767	2,813,593



MEJA URJA NIGAM PRIVATE LIMITED

21. Expenditure during construction period (net)

	Amount in ₹	
For the year ended	31.03.2014	31.03.2013
Tree Plantation outside plant	-	2,755,208
Books and periodicals	29,415	314,169
Legal expenses	2,858,535	325,209
EDP hire and other charges	2,780,918	1,824,377
Printing and stationery	1,215,924	430,998
Miscellaneous expenses	5,421,401	3,609,873
Hiring of Vehicles	9,050,629	5,057,975
Bank Charges	2,795,046	2,762,056
Total (D)	<u>109,789,694</u>	<u>69,562,762</u>
Total (A+B+C+D)	<u>981,714,838</u>	<u>795,011,173</u>
E. Less: Other income		
Other income	<u>917,709</u>	19,618,303
Total (E)	<u>917,709</u>	<u>19,618,303</u>
F. Prior period items (net)	-	545,734
Grand Total (A+B+C+D-E+F)*	<u>980,797,129</u>	<u>775,938,604</u>

* Carried to capital work-in-progress - (Note 11)



- 22 The previous year figures have been regrouped wherever required
- 23 Certain loan & advances & creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation /reconciliation & consequential adjustment, which in the opinion of the management is not material.

Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'

- 24 Borrowing costs capitalised during the year are ₹ 622,172,104 (previous year ₹ 5,170,61,102.)

25 Operating leases

The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 17 - Employee benefits expense includes ₹ 2,495,159 (previous year ₹ 43,21,840) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps of ₹ 2,507,252 (previous year ₹ 21,64,882) are included under 'Rent' in Note 18 - 'Generation, administration and other expenses'.

26 Disclosure as per Accounting Standard - 18 on 'Related Party Disclosure'

Key Management Personnel

A) Shri Vinod Sharma, Executive Director NTPC Ltd was Chief Executive Officer of the Company during the year up to 25 March 2014. Shri J. N. Singh, Executive Director, NTPC has joined the Company as Chief Executive Officer on secondment from NTPC Ltd with effect from 25 February 2014.

B) Remuneration to key management personnel for the year is ₹ 3419826 (previous year ₹ 38530350) and amount of dues outstanding to the Company as on 31st March 2014 is Nil (Previous year Nil)

Managerial remuneration to Key Management Personnel	31.03.2014	31.03.2013
Shri Vinod Sharma	3216871	3853035
Shri J.N.Singh	202955	-
Total	3419826	3853035

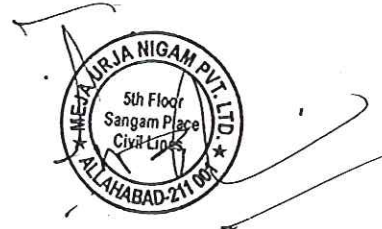
27 Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'

The elements considered for calculation of earning per share (Basic and Diluted) are as under:

	Current Year	Previous Year
Net profit after tax used as numerator - ₹	(542,696)	(242,925)
Weighted average number of equity shares used as denominator (Basic)	762556477	524135655
Weighted average number of equity shares used as denominator (Diluted)	824859600	635947758
Earning per share (Basic) - ₹	(0.00)	(0.00)
Earning per share (Diluted) - ₹	(0.00)	(0.00)
Face value per share - ₹	10/-	10/-

28 Information in respect of Micro, Small and Medium Enterprises as at 31st March 2013 as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Amount in ₹
a) Amount remaining unpaid to any contractor/supplier:	
Principal amount	4435026
Interest due thereon	NIL
b) Amount of interest paid in terms of section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	NIL
c) 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 the MSMED Act	NIL
d) Amount of interest accrued and remaining unpaid	NIL
e) 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 enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act	NIL



29 Contingent Liabilities:

a) Claims against the company not acknowledged as debts in respect of:

(i) Land compensation cases

In respect of land acquired for the project, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹35,290,189/- (previous year ₹2,9,077,449/-) has been estimated.

b) Disputed Income Tax Matters

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to ₹ 1587872/- inclusive of interest (previous year ₹ 2,050,972/- are disputed by the Company and contested before various Appellate Authorities.

c) Capital Works

One of the contractors for execution of works at the project has lodged a claim on the Company before the Arbitrator for ₹ 371,043,360 (inclusive of interest)(previous year ₹ 321,934,680) seeking enhancement of the contract price, etc. This claim has been contested by the Company as being not admissible in terms of the provisions of the contracts. The Company is pursuing various actions under the dispute resolution mechanism available in the contract for settlement of the claim. It is not practicable to make a realistic estimate of the outflow of resources if any for settlement, pending resolution. The contract has since been terminated by the company on account of sustained delay and non execution of the work. The bank guarantees for advance, performance and additional performance security have been invoked by the Company, and the net proceeds of the same have been retained by the Company, pending completion of balance works of the package and determination of amount to be recovered from the non performing contractor.

30 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2014 is ₹62,615,159,215 (previous year ₹55,424,533,405).

31 Foreign Currency Exposure not hedged by a derivative instrument or otherwise:

Particulars	Currencies	Amount in Foreign Currency		Amount in ₹	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Foreign Currency Liabilities	Euro	72979	-	6,103,962	-
	USD	97060	-	5,882,807	-
	JPY	16831540	-	9,955,856	-
Unexecuted amount of contracts remaining to be executed	Euro	118034645	96351862	9,872,417,679	6,785,098,122
	USD	54915311	45115081	3,332,500,407	2,477,269,098
	JPY	12842549183	11413341794	7,596,367,842	6,685,935,623
	CHF	87626	79773	6,018,133	4,610,879

32 Value of Capital Goods imported on CIF basis is ₹ 961750974/- (previous year nil)

33 Value of expenditure in foreign currency is ₹ 1352272/- (previous year nil)

34 Amount has been rounded to nearest Rupee except for share data



For and on behalf of the Board of Directors

(A.K. Agarwal)
Director

(Dr Arup Roy Choudhury)
Chairman

As per our report of even date

For Ashwani Sood & Associates
Chartered Accountants

Firm Reg. No. 0040367

(Ashwani Sood)

Partner

M No. 084242



Place: New Delhi

Dated 2nd May 2014