K. P. RAO & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To
The Members of
TALAIPALLI COAL MINING PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Talaipalli Coal Mining Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flow for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

K. P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

We conducted our audit of the financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

B. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 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 control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.

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 as on March 31st, 2018 requiring disclosure in the financial statements.

ii. The Company has no long term contracts, including derivative contracts, for which there were any material foreseeable losses.

iii. There were no amounts that were required to be transferred to the Investor Education & Protection Fund by the Company.

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No.: 003135S

K.P. RAO & CO. ★ BANGALORE FRN: 003135S ★ CHARTERED ACCOUNTANTS

K. Viswanath
Partner
Membership No.: 022812

Place: Hyderabad
Date: May 16, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TALAIPALLI COAL MINING PRIVATE LIMITED

We report that;

1. According to the information and explanations given to us, the Company does not hold any fixed assets. Accordingly, the provisions of clause 3(i) (a) and (b) of the Order are not applicable to the company.

2. In respect to inventories, the Company does not hold any inventories. Accordingly reporting under clause (ii) of paragraph 3 is not applicable.

3. a) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly reporting under clause (iii) of paragraph 3 of the Order is not applicable.

4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any director, given any guarantee, provided any security in connection with any loan taken by any director or made investment through more than two layers of investment companies. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.

5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

6. According to the information and explanation given to us, the provisions of sub-section 1 of section 148 of the Companies Act, 2013 and rules made thereunder relating to maintenance of Cost Records are not applicable to the company for the year under audit. Accordingly reporting under clause (vi) of paragraph 3 is not applicable.

7. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.

   b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess, which have not been deposited on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks & Financial Institutions.

K.P. RAO & CO. BANGALORE FRN-003135S CHARTERED ACCOUNTANTS

9. The Company has not raised any monies, during the reporting period, by way of initial public offer or further public offer. The Company has not raised any monies, by way of term loans during the year.

10. According to the information and explanations given to us, no fraud by, or by its officers or employees on the Company has been noticed or reported during the year.

11. The company is not restricted by the provisions of Section 197 in the payment of managerial remuneration to its directors. Accordingly, reporting under clause (xi) of paragraph 3 of the Order is not applicable.

12. The Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the reporting period. Accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with any directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. P. RAO & CO. ★ BANGALORE FRN: 003135S ★ CHARTERED ACCOUNTANTS

K. Viswanath
Partner
Membership No. 022182

Place: Bangalore
Date: May 16, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TALAIPALLI COAL MINING PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Talaipalli Coal Mining Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

K.P. RAO & CO. BANGALORE FRN 003135S CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K.P. RAO & CO.
BANGALORE
FRN: 003135S
CHARTERED ACCOUNTANTS

K. Viswanath
Partner
Membership No. 022812

Place: Hyderabad
Date: May 16, 2018

TALAIPALLI COAL MINING PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lakhs)

	NOTE	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
ASSETS					
Current Assets					
Financial Assets					
Cash and Cash Equivalents	3	2.55		-	
Other Current Assets	4	16.00		-	
Other Current Assets					
Total Current Assets			18.55		-
Total Assets			**18.55**		-
EQUITY AND LIABILITIES					
EQUITY					
Equity Share Capital	5	9.00		-	
Other Equity	6	(33.27)		-	
Total Equity			**(24.27)**		-
LIABILITIES					
Current Liabilities					
Financial Liabilities					
Trade Payables	7	20.30		-	
Other Current Liabilities	8	22.52		-	
Total Current Liabilities			**42.82**		-
Total Equity and Liabilities			**18.55**		-
Company information and Significant accounting policies	1 & 2				

accompanying notes forming part of financial statements 11 to 14

as per our report of even date attached

For **K.P. RAO & CO.**
CHARTERED ACCOUNTANTS
Firm Regn. No. 003135S

K Viswanath
Partner
Membership No.022812

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Hyderabad, Dt: 16th May, 2018

For TALAIPALLI COAL MINING PRIVATE LIMITED
CIN NO:U10100TG2017PTC121116

R.S.RAJU
Director
DIN NO:00037918

UMAPATHY REDDY BATHINA
Director
DIN NO:02202915

Talaipalli Coal Mining Private Limited Hyderabad

TALAIPALLI COAL MINING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31,2018

(₹ in Lakhs)

	NOTE	PERIOD ENDED MARCH 31, 2018		PERIOD ENDED MARCH 31, 2017	
REVENUE					
Revenue from Operations		-		-	
Total Revenue			-		-
EXPENSES					
Financial Costs	9	0.01		-	
Other Expenses	10	33.26		-	
Total Expenses			33.27		-
Profit/(Loss) for the year before tax			**(33.27)**		-
Tax Expense			-		-
Profit/(Loss) for the Year			**(33.27)**		-
Other Comprehensive Income			-		-
Total Comprehensive Income			**(33.27)**		-
Earning Per Share	13		(228.68)		
Company information and Significant accounting policies	1 & 2				

accompanying notes forming part of financial statemen 11 to 14

as per our report of even date attached

For **K.P. RAO & CO.**

CHARTERED ACCOUNTANTS

Firm Regn. No. 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

K Viswanath

Partner

Membership No.022812

Hyderabad, Dt: 16th May, 2018

For TALAIPALLI COAL MINING PRIVATE LIMITED

CIN NO:U10100TG2017PTC121116

R.S.RAJU

Director

DIN NO:00037918

UMAPATHY REDDY BATHINA

Director

DIN NO:02202915

Talaipalli Coal Mining Private Limited Hyderabad

TALAIPALLI COAL MINING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018

(₹ in Lakhs)

		Period Ended March 31, 2018
A.	**Cash flow from operating activities**	
	Net Profit/(Loss) before tax	(33.27)
	Adjustments:	-
	Operating profit / (loss) before working capital changes	**(33.27)**
	Changes in working capital:	
	Adjustments for (increase) / decrease in operating assets	
	Other Current Assets	(16.00)
	Adjustments for increase / (decrease) in operating liabilities:	
	Trade Payables	42.82
	Cash generated from operations	**(6.45)**
	Net income tax (paid) / refunds	-
	Net cash flow used in operating activities (A)	**(6.45)**
B.	**Cash flow from investing activities**	-
	Net cash flow from investing activities (B)	-
C.	**Cash flow from financing activities**	
	Proceeds from issue of share Capital	9.00
	Net cash flow from financing activities (C)	**9.00**
	Net increase in Cash and cash equivalents (A + B + C)	**2.55**
	Cash and cash equivalents at the beginning of the period	-
	Cash and cash equivalents at the end of the period	**2.55**

Notes:

1. The Cash Flow Statement is prepared in accordance with the indirect method and presents the cash flows by operating, investing and financing activities.
2. Accompanying notes on accounts form an integral part of the Cash Flow Statement.
3. Figures in bracket represents cash outflows.

as per our report of even date attached

For K.P. RAO & CO.
Chartered Accountants
Firm Regn. No. 003135S

K.P. RAO & CO. ★ BANGALORE FRN 003135 ★ CHARTERED ACCOUNTANTS

K Viswanath
Managing Partner
Membership No.022812

Hyderabad, Dt: 16th May, 2018

for and on behalf of the Board of

TALAIPALLI COAL MINING PRIVATE LIMITED
CIN NO:U10100TG2017PTC121116

R.S.RAJU
Director
DIN NO:00037918

UMAPATHY REDDY BATHINA
Director
DIN NO:02202915

Talaipalli Coal Mining Private Limited ★ Hyderabad

TALAIPALLI COAL MINING PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

Equity Share Capital (₹ in Lakhs)

Description	Total
Equity Shares of Rs.10 each, Issued & Paid up	
Balance as at March 31, 2017	-
Add : Shares issued during the year	9.00
Balance as at March 31, 2018	**9.00**

Other Equity

Description	Retained Earnings	Total
Balance at the end of the March 31, 2017	-	-
Total comprehensive income for the year	(33.27)	(33.27)
Dividends	-	-
Balance at the end of the March 31, 2018	**(33.27)**	**(33.27)**

as per our report of even date attached
For K.P. RAO & CO.
Chartered Accountants
Firm Regn. No. 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

K Viswanath
Managing Partner
Membership No.022812

Hyderabad, Dt: 16th May, 2018

for and on behalf of the Board of
TALAIPALLI COAL MINING PRIVATE LIMITED
CIN NO:U10100TG2017PTC121116

R.S.RAJU
Director
DIN NO:00037918

UMAPATHY REDDY BATHINA
Director
DIN NO:02202915

Talaipalli Coal Mining Private Limited Hyderabad

TALAIPALLI COAL MINING PRIVATE LIMITED
Notes forming part of Financial statements

1. Corporate Information

The company is a Special Purpose Vehicle (SPV) formed for carrying on the business of Mine Developer and Operator (MDO) for Development and Operation of Talaipalli Coal Block located in the state of Chhattisgarh awarded by the NTPC Limited. The scope of the business to be carried on by the company as an MDO shall include Drilling and blasting, Excavation & Transportation of Overburden, Mining and Tranportation of Coal, Coal Handling and allied activities, Construction of required infrastructure, undertaking community development and welfare activities of the social community.

2. Significant accounting policies:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015 (as amended from time to time) and companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable

2.2 Basis for preparation of financial statements:

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) Amendment Rules, 2016. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Property, Plant & Equipment:

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

K P RAO & CO. BANGALORE FRN 003135 CHARTERED ACCOUNTANTS

Talaipalli Coal Mining Private Limited Hyderabad

Depreciation / amortization of Property, Plant & Equipment:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation is provided on straight line method , in the manner stated in schedule II to the Companies Act 2013 and as per the useful lifes stated in part C to the said Schedule.

The estimated useful lives and residual values of the tangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment

Property, Plant and Equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

Talaipalli Coal Mining Private Limited ★ Hyderabad

K.P. RAO & CO. ★ BANGALORE FRN: 003135S ★ CHARTERED ACCOUNTANTS

2.6 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Non-derivative financial instruments

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

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

Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 *Financial Instruments*, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Talaipalli Coal Mining Private Limited Hyderabad

2.7 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

2.8 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

Talabira Coal Mining Private Limited Hyderabad

K.P. RAO & CO. BANGALORE FRN. 003135S CHARTERED ACCOUNTANTS

TALAIPALLI COAL MINING PRIVATE LIMITED
Notes forming part of Financial statements

(₹ in Lakhs)

		As on March 31, 2018	As on March 31,2017
3	**Cash and Cash Equivalents**		
	Balances with Scheduled Banks		
	In Current Accounts	2.55	-
	Total	**2.55**	**-**
4	**Other Current Assets**		
	Advances to Suppliers, Sub Contractors and Others		
	Considered Good	16.00	-
	Service Tax Receiveble	-	
	Total	**16.00**	**-**
7	**Trade Payables**		
	Trade Payables-Others	4.19	-
	Outstanding liabilities	16.10	-
	Total	**20.30**	**-**
8	**Other Current Liabilities**		
	NCC Limited	1.33	
	BGR Mining & Infra Ltd	19.40	
	TDS & Other Statutory Payables	1.80	-
	Total	**22.52**	**-**

BANGALORE FRN 003135 CHARTERED ACCOUNTANTS

Talaipalli Coal Mining Private Limited Hyderabad

TALAIAPALLI COAL MINING PRIVATE LIMITED
Notes forming part of Financial statements

(₹ in Lakhs)

		As at March 31, 2018	
		Number of Shares	Amount
5	**Share Capital**		
	Authorised		
	Equity Shares of ₹ 10/- each	90,000	9.00
	Issued, Subscribed and Fully Paid up		
	Equity Shares of ₹ 10/- each	90,000	9.00
	Total	**90,000**	**9.00**

5.1 Reconcilation of the numbers of shares and amount outstanding at the beginning and end of the reporting period

	As at March 31, 2018	
	Number of Shares	Amount
Equity Shares of ₹ 10/- each fully paid up		
Balance at the beginning of the period	90,000	9.00
Add: Allotment made during the period		
Balance at the end of the period	**90,000**	**9.00**

5.2 Rights, preferences and restrictions attached to equity shares

The equity shares of the Company having par value of ₹ 10/- per share rank pari passu in all respects including voting rights and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

5.3 Details of shares held by the holding company and subsidiaries of the holding company

	As at March 31, 2018	
	Number of Shares	Amount
Equity Shares of ₹ 10/- each fully paid up		
NCC Limited	45,900	4.59
BGR Mining & Infra Private Limited	44,100	4.41

5.4 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at March 31, 2018	
	Number of Shares	%
Equity Shares of ₹ 10/- each fully paid up		
NCC Limited	45,900	51%
BGR Mining & Infra Private Limited	44,100	49%

(₹ in Lakhs)

		As on March 31, 2018
6	**Other Equity**	
	Retained Earnings	33.27
	Total	**33.27**

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Notes to the financial statements

(₹ in Lakhs)

		Year Ended March 31, 2018		Year Ended March 31, 2017	
9	**Finance Costs**				
	Other Borrowing Costs				
	Commission on - Bank Guarantees & Other Bank Charges	0.01			
			0.01		-
	Total		0.01		-
10	**Other Expenses**				
	Travelling and Conveyance		1.20		
	Office Maintenance		0.01		
	Postage, Telegrams and Telephones		0.00		
	Legal and Professional Charges		31.86		
	Filling Charges		0.08		
	Auditors' Remuneration (Refer note 10.1)		0.10		
	Total		33.26		-
10.1	Auditors' Remuneration				
	(Excluding service tax and education cess thereon)				
	Statutory Audit fee		0.10		
	Tax Audit fee				
	Total				-

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TALAIPALLI COAL MINING PRIVATE LIMITED
Notes forming part of Financial statements

11 Fair value measurements

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

	Fair value hierarchy	As at March 31, 2018	
		Carrying amount	Fair value
Financial assets			
Financial assets at amortised cost:			
- Cash and cash equivalents	Level 2	-	-
	Fair value hierarchy	As at March 31, 2018	
		Carrying amount	Fair value
Financial liabilities			
Financial liabilities at amortised cost:			
- Other financial liabilities	Level 2	5.99	5.99

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.

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R.S.RAJU	**UMAPATHY REDDY BATHINA**
Director	**Director**
DIN NO:00037918	DIN NO:02202915

Talaipalli Coal Mining Private Limited ★ Hyderabad

K.P. RAO & CO. ★ CHARTERED ACCOUNTANTS ★ BANGALORE FRN: 003135S

12 Related Party Transactions

12.1 Following is the list of related party and relationships

Related Party	**Relationship**
NCC Limited	Holding Company
BGR Mining & Infra Private Ltd	Enterprise having Significant Influence
R.S.RAJU	Key Managerial Personnel
UMAPATHY REDDY BATHINA	Key Managerial Personnel

	Year ended March 31, 2018
12.2 Transactions during the year with related parties	
NCC Limited	
Share Capital	4.59
Incorporation Expenses	1.33
Total	**5.92**
BGR Mining & Infra Private Limited	
Share Capital	4.41
Expenditure	19.40
Total	**23.81**

12.3 Balances as at end of the year March 31, 2018

NCC Limited	
Share Capital	4.59
Trade Payables-Others	1.33
Total	**5.92**
BGR Mining & Infra Private Limited	
Share Capital	4.41
Advances to Others	19.40
Total	**23.81**

13 Earning Per Share

		Year ended March 31, 2018
Net Loss after tax available for equity shareholders	(` in lakhs)	(33.27)
Weighted average number of equity shares for basic and diluted EPS	(in Nos.)	14,548
Face Value per share	(in `)	10.00
Basic and Diluted EPS	(in `)	(228.68)

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Notes forming part of Financial statements

14 Financial instruments

Capital management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through issue of equity capital.

For the purpose of capital management, capital includes issued equity capital and revenue reserves. There is no debt on the Company.

The following table summarises the capital of the Company: (₹ in Lakhs)

	As at March 31, 2018
Equity and Other Equity	**(24.27)**
Cash and cash equivalents	2.55
Net debt	**2.55**
Total capital (equity + net debt)	**(21.72)**

Categories of financial instruments

(₹ in Lakhs)

	As at March 31, 2018
Financial assets	
Measured at amortised cost	
Financial liabilities	
Measured at amortised cost	5.99

Financial risk management objectives

The company's business activities are currently not exposed to any variety of financial risk viz., market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. During the current period, the Company has no financial instruments whose fair values are susceptible to change due to market prices.

Interest rate risk

The Company has not dealt in any debt instruments during the year. Hence there is no interest rate risk applicable to the Company.

Equity risks

The Company does not currently have any investments into equity instruments. There are no equity risks applicable to the Company presently.

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Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents amounts recoverable in the nature of reimbursement of expenses from related parties.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate balances in the form of cash and bank. There are no significant risks relating to liquidity applicable to the Company.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018:

(₹ in Lakhs)

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Other financial liabilities	20.73	20.73	-	-	20.73
Total	**20.73**	**20.73**	-	-	**20.73**

The table below provides details of financial assets as at March 31, 2018:

(₹ in Lakhs)

	Carrying amount
Other financial assets	16.00
Total	**16.00**

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