

B S R & Co. LLP
Chartered Accountants
Lodha Excelus
5th Floor, Apollo Mills Compound
N. M. Joshi Marg, Mahalakshmi
Mumbai 400 011.
Telephone +91(22) 4345 5300
Fax + 91(22) 4345 5399

Pathak H. D. & Associates
Chartered Accountants
814-815, Tulsiani Chambers,
212, Nariman Point,
Mumbai 400 021
Telephone +91(22) 3022 8508
Fax +91(22) 3022 8509

Independent Auditors' Report

To the Members of Sasan Power Limited

Report on the Ind AS Financial Statements

1. We have audited the accompanying financial statements of **Sasan Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement 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 "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

- 2 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 state of affairs, loss (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.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
- 4 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.
- 5 We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

Auditors' Responsibility (Continued)

- 6 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 judgment, including the assessment of the risks of material misstatement 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. 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 Ind AS financial statements.
- 7 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

- 8 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, of the state of affairs of the Company as at March 31, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

- 9 The comparative financial information of the Company for the year ended March 31, 2017 included in these Ind AS financial statements had been jointly audited by Price Waterhouse, Chartered Accountants and Pathak H.D. & Associates, Chartered Accountants, whose report dated May 22, 2017 expressed an unmodified opinion on these audited Ind AS financial statements for the year ended March 31, 2017.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

- 10 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 11 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

Report on Other Legal and Regulatory Requirements (Continued)

- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- 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 is 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditors' 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 disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. – Refer Note no. 4 to the Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018; and
 - iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W /W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

April 18, 2018

Mumbai

For Pathak H. D. & Associates

Chartered Accountants

Firm's Registration No:107783W

Vishal D. Shah

Partner

Membership No:119303

April 18, 2018

Mumbai

Annexure A to Independent Auditors' Report

Referred to in Paragraph 10 our Independent Auditors' Report of even date to the members of Sasan Power Limited on the Ind AS financial statements for the year ended March 31, 2018

Page 1 of 3

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) The title deeds of immovable properties other than self-constructed immovable property (buildings) as disclosed in fixed assets [Note 3.1] to the financial statements, are held in the name of the Company, except freehold land aggregating 5.44 hectares amounting to Rs. 461.86 Lakhs which is pending for registration/mutation.

In respect of immovable properties taken on lease and disclosed as fixed assets to the financial statements, the lease agreements are in the name of the Company.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3(iii)(a), (b) & (c) of the Order are not applicable.
- (iv) Based on the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act to the extent applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

Annexure A to Independent Auditors' Report
Referred to in the Independent Auditors' Report of even date to the members of Sasan Power Limited on the Ind AS financial statements for the year ended March 31, 2018
Page 2 of 3

- (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 is generally regular in depositing the undisputed statutory dues in respect of District Mineral Fund (DMF), Forest Transit Fees (FTF), National Mineral Exploration Trust (NMET), Madhya Pradesh Gramin Avsanchna Tatha Sadak Vikas Adhinyam (MPGATSVA), Electricity duty, Energy Development Cess, Provident Fund, Employees' State Insurance, Income-tax, Service tax, Goods and Services tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities though there has been slight delay in few cases. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2018 for a period of more than six months from the date they became applicable.
- (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, Goods and Services tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2018 which have not been deposited on account of a dispute, except for the following:

Name of the statute	Nature of dues	Amount (in lakhs)	Period	Forum where dispute is pending
The Finance Act, 1994	Service tax	2,229	Financial year- 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015	CESTAT

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution and banks. The Company did not have any loan and borrowings from Government and any amount due to debenture holders during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further on an overall basis, the term loans have been applied for the purposes for which they were raised except for the unutilized proceeds of term loans, to the extent of Rs 26,309 lakhs that were obtained for capital expenditure but temporarily parked in mutual funds.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.

Annexure A to Independent Auditors' Report

Referred to in the Independent Auditors' Report of even date to the members of Sasan Power Limited on the Ind AS financial statements for the year ended March 31, 2018

Page 3 of 3

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable.
The details of related party transactions as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, have been disclosed in the Ind AS financial statements.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W /W-100022

For Pathak H. D. & Associates

Chartered Accountants

Firm's Registration No:107783W

Bhavesh Dhupelia

Partner

Membership No: 042070

Vishal D. Shah

Partner

Membership No: 119303

April 18, 2018

Mumbai

April 18, 2018

Mumbai

Annexure – B to Independent Auditors' Report

Annexure to the Independent Auditors' Report referred to in paragraph "11(f)" under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the Ind AS financial statements of Sasan Power Limited for year ended March 31, 2018.

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

1. We have audited the internal financial controls over financial reporting of Sasan Power Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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.

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. 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

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, 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 issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W /W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

April 18, 2018

Mumbai

For Pathak H. D. & Associates

Chartered Accountants

Firm's Registration No: 107783W

Vishal D. Shah

Partner

Membership No: 119303

April 18, 2018

Mumbai

Sasan Power Limited
Balance Sheet as at March 31, 2018

Particulars	Note	Rupees in lakhs	
		As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	2,453,008	2,512,205
Capital work-in-progress	3.2	5,621	52,677
Intangible assets	3.3	2,815	2,925
Financial assets	3.4		
Margin Money deposits	3.4(a)	1,218	12,365
Other financial assets	3.4(b)	8,674	10,905
Deferred tax assets (net)	3.5	45,685	42,019
Other non-current assets	3.6	74,995	49,644
Current assets			
Inventories	3.7	55,986	57,909
Financial assets	3.8		
Investments	3.8(a)	27,992	79,939
Trade receivables	3.8(b)	52,811	63,389
Cash and cash equivalents	3.8(c)	666	5,226
Bank balances other than cash and cash equivalents	3.8(d)	3,951	4,755
Other financial assets	3.8(e)	14,569	19,819
Other current assets	3.9	5,210	26,030
Total		2,753,199	2,939,807
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3.10	432,737	4,371
(b) Other equity			
Instruments entirely equity in nature	3.11	23,579	23,579
Reserves and surplus	3.12	410,502	850,383
Liabilities			
Non-current liabilities			
Financial liabilities	3.13		
Borrowings	3.13(a)	1,402,091	1,534,078
Other financial liabilities	3.13(b)	12,285	7,494
Provisions	3.14	2,447	2,150
Other non-current liabilities	3.15	163,130	176,241
Current liabilities			
Financial liabilities	3.16		
Borrowings	3.16(a)	54,558	50,349
Trade payables	3.16(b)	20,673	20,019
Other financial liabilities	3.16(c)	205,577	208,661
Other current liabilities	3.17	25,395	62,391
Provisions	3.18	225	91
Total		2,753,199	2,939,807

Significant accounting policies
Notes on financial statements

2
1 to 22

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

Sasan Power Limited

As per Our attached report of even date

For B S R & Co LLP

Chartered Accountants

Firm registration Number: 101248W/W-100022

For and behalf of the Board of Directors

Shrikant Digambar Kulkarni

Director

DIN no. 05136399

Bhavesh Dhupelia

Partner

Membership Number: 042070

Ashok Kachardas Kamavat

Director

DIN no. 07098455

For Pathak HD & Associates

Chartered Accountants

Firm registration Number:107783W

Rashna Hoshang Khan

Director

DIN no. 06928148

Vishal D Shah

Partner

Membership Number: 119303

Laxmi Dutt Vyas

Chief Financial Officer

Place: Mumbai

Date: April 18,2018

Place: Mumbai

Date: April 18,2018

Sasan Power Limited
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Rupees in lakhs		
	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	3.19	467,863	491,695
Other income	3.20	18,670	29,226
Total income		486,533	520,921
Expenses			
Cost of fuel consumed (including cost of coal excavation)	3.21	126,686	174,563
Employee benefits expense	3.22	8,736	8,632
Finance costs	3.23	154,000	161,671
Depreciation and amortization expense	3.1 & 3.3	136,971	131,658
Other expenses	3.24	75,130	62,969
Total expenses		501,523	539,493
Profit/(Loss) before tax		(14,990)	(18,572)
Income tax expense			
Current tax		-	-
Deferred tax	13	(3,666)	(35,018)
Profit / (Loss) for the year (A)		(11,324)	16,446
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans (Refer note 7)		(191)	(37)
Tax relating to items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		-	-
Other comprehensive income for the year, net of tax (B)		(191)	(37)
Total comprehensive income for the year (A+B)		(11,515)	16,409
Earnings per equity share: (Face value of Rs. 10 each)			
Basic (Rupees)	10	(0.26)	0.38
Diluted (Rupees)	10	(0.26)	0.38
Significant accounting policies	2		
Notes to financial statements	1 to 22		

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

Sasan Power Limited

As per Our attached report of even date

For B S R & Co LLP

Chartered Accountants

Firm registration Number: 101248W/W-100022

For and behalf of the Board of Directors

Shrikant Digambar Kulkarni

Director

DIN no. 05136399

Bhavesh Dhupelia

Partner

Membership Number: 042070

Ashok Kachardas Karnavat

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Chartered Accountants

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Rashna Hoshang Khan

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DIN no. 06928148

Vishal D Shah

Partner

Membership Number: 119303

Laxmi Dutt Vyas

Chief Financial Officer

Place: Mumbai

Date: April 18,2018

Place: Mumbai

Date: April 18,2018

Sasan Power Limited
Statement of Changes in Equity

A. Equity share capital

Particulars	Notes	Rupees in lakhs Amount
As at April 01, 2016	3.10	4,371
Changes in equity share capital		-
As at April 01, 2017		4,371
Changes in equity share capital		
Add: Bonus shares issued during the year	3.10	428,366
As at March 31, 2018		432,737

B. Other Equity

Particulars	Notes	Instruments entirely equity in nature			Reserves and surplus			Rupees in lakhs Total
		Preference Shares [Refer note 3.11.3(a)]	Inter-corporate Deposits	Total	Securities Premium Account	Retained Earnings	Total	
As at April 01, 2016		3,579	20,000	23,579	786,550	47,424	833,974	857,553
Profit for the year		-	-	-	-	16,446	16,446	16,446
Other comprehensive income for the year		-	-	-	-	(37)	(37)	(37)
Total comprehensive income for the year		-	-	-	-	16,409	16,409	16,409
Transaction with owners in their capacity as owners :								
Bonus shares issued during the year		-	-	-	-	-	-	-
Balance as at March 31, 2017		3,579	20,000	23,579	786,550	63,833	850,383	873,962
As at April 01, 2017		3,579	20,000	23,579	786,550	63,833	850,383	873,962
Loss for the year		-	-	-	-	(11,324)	(11,324)	(11,324)
Other comprehensive income for the year		-	-	-	-	(191)	(191)	(191)
Total comprehensive income for the year		-	-	-	-	(11,515)	(11,515)	(11,515)
Transaction with owners in their capacity as owners :								
Bonus shares issued during the year		-	-	-	(428,366)	-	(428,366)	(428,366)
Balance as at March 31, 2018		3,579	20,000	23,579	358,184	52,318	410,502	434,081

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

Sasan Power Limited

As per Our attached report of even date

For B S R & Co LLP

Chartered Accountants

Firm registration Number: 101248W/W-100022

For and behalf of the Board of Directors

Shrikant Digambar Kulkarni

Director

DIN no. 05136399

Bhavesh Dhupelia

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Partner

Membership Number: 119303

Laxmi Dutt Vyas

Chief Financial Officer

Place: Mumbai

Date: April 18,2018

Place: Mumbai

Date: April 18,2018

Sasan Power Limited
Cash flow statement for the year ended March 31, 2018

Particulars	Rupees in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
(A) Cash flow from / (used in) operating activities		
Loss before tax	(14,990)	(18,572)
Adjustments for :		
Profit on sale of current investments (non trade)	(1,605)	(6,090)
Gain arising on mutual fund investment mandatorily measured at fair value	(1,683)	(2,240)
Gain on foreign exchange fluctuation (net)	(71)	(5,677)
Government Grants	(14,228)	(11,416)
Depreciation/Amortisation (including depreciation on mining equipments)	150,667	144,458
Finance Cost	154,000	161,671
Interest Income on Bank Deposits	(476)	(1,784)
Net Gain/(loss) on disposal of property, plant and equipment	247	(462)
Trade receivables written-off	-	3,498
Operating Profit / (loss) before working capital changes	271,861	263,388
Adjustment for :		
(Increase) / decrease in other financial assets	8,192	(8,498)
(Increase) / decrease in trade receivables	10,578	29,137
(Increase) / decrease in other non-current assets	(11,467)	4,614
(Increase) / decrease in inventories	1,923	(33,754)
(Increase) / decrease in other current assets	22,030	(2,360)
Increase / (decrease) in other financial liabilities	3,207	(1,664)
Increase / (decrease) in provisions	(151)	(994)
Increase / (decrease) in non-current liabilities	108	-
Increase / (decrease) in trade payables	(5,255)	6,962
Increase / (decrease) in other current liabilities	(35,988)	(5,428)
Income Taxes paid (net of refund)	265,038	251,401
Net cash from operating activities	265,573	251,245
(B) Cash flow from / (used in) investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(63,440)	(54,572)
Proceeds from disposal of property, plant and equipment	483	2,120
Sale / (purchase) of current investments (non trade) (net)	55,234	15,666
(Increase) / decrease in non-current margin money bank deposits	11,147	(7,642)
(Increase) / decrease in other bank balances	804	19,631
Interest received	274	2,026
Net cash used in investing activities	4,502	(22,771)
(C) Cash flow from / (used in) financing activities		
Proceeds from long term borrowings - secured	108,226	166,260
Repayment of long term borrowings - secured	(224,885)	(297,311)
Interest and finance charges paid	(162,185)	(145,726)
Proceeds from Short term borrowings - (net of repayment)	4,209	2,819
Net cash used in financing activities	(274,635)	(273,958)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(4,560)	(45,484)

Cash and cash equivalent at beginning of the year

Bank balances

- in current accounts

2,449

42,478

- in fixed deposits

2,777

8,232

Cash and cash equivalent at end of the year

Bank balances

- in current accounts

666

2,449

- in fixed deposits

2,777

The accompanying notes are an integral part of these financial statements

Notes :

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.

Sasan Power Limited

As per Our attached report of even date

For **B S R & Co LLP**

Chartered Accountants

Firm registration Number: 101248W/W-100022

For and behalf of the Board of Directors

Shrikant Digambar Kulkarni

Director

DIN no. 05136399

Bhavesh Dhupelia

Partner

Membership Number: 042070

Ashok Kachardas Karnavat

Director

DIN no. 07098455

For **Pathak HD & Associates**

Chartered Accountants

Firm registration Number: 107783W

Rashna Hoshang Khan

Director

DIN no. 06928148

Vishal D Shah

Partner

Membership Number: 119303

Laxmi Dutt Vyas

Chief Financial Officer

Place: Mumbai

Date: April 18, 2018

Place: Mumbai

Date: April 18, 2018

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Disclosure as per Ind AS 7

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Long term Borrowings		
Opening Balance		
- Non Current	1,534,078	1,680,850
- Current	69,194	67,744
Availed during the year/period	108,226	166,260
Changes in Fair Value		
- Impact of Effective Rate of Interest	2,866	1,184
- Equity Component of Compulsorily Convertible Debenture		-
Repaid During the year/period	(224,885)	(297,311)
Foreign Exchange Adjustment	1,454	(15,455)
Closing Balance	1,490,933	1,603,272
- Non Current	1,402,091	1,534,078
- Current	88,842	69,194
Short term Borrowings		
Opening Balance	50,349	47,530
Availed during the year/period	4,209	2,819
Repaid During the year/period	-	-
Closing Balance	54,558	50,349
Interest Expenses		
Interest Accrued-Opening Balance	5,735	4,053
Interest charge as per statement of Profit & Loss	154,000	161,671
Changes in Fair Value		
- Unwinding and EIR Adjustment	(2,990)	(1,280)
- Fair Value Adjustment	10,261	(12,983)
Interest paid to lenders	162,185	145,726
Interest Accrued-Closing Balance	4,821	5,735
Closing Balance	4,821	5,735

1) General information

Sasan Power Limited ("the Company"), a wholly owned subsidiary of Reliance Power Limited, has set up an Ultra Mega Power project of 3,960 Mega Watt (MW) (6x660 MW) at Sasan, Madhya Pradesh. The Company has entered into a power purchase agreement (PPA) with 14 procurers located in 7 States, based on which the generated power is sold. The project has been allotted captive coal blocks to meet its fuel requirements.

The Company is a public limited company in India and is incorporated and domiciled in India under the provisions of the Companies Act. The registered office of the Company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400710.

These financial statements were authorised for issue by the board of directors on April 18, 2018.

2) Significant accounting policies and critical accounting estimates:

2.1 Basis of accounting, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation :

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the years presented.

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value;

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Classification of current and non-current

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Recent accounting pronouncements

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

(c) Property, plant and equipment (PPE) including Capital Work-in-Progress (CWIP) :

Freehold land is carried at cost. All items of Property, plant and equipment (PPE) are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of PPE comprises of its purchase price, capitalised borrowing costs and adjustment arising for exchange rate variations attributable to the assets (Refer note 2.1(p) (ii) below), including any cost directly attributable to bringing the assets to their working condition for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Spare parts are recognised when they meet the definition of Property, plant and equipment, otherwise, such items are classified as inventory.

All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / directly attributable to construction of project, borrowing cost, construction stores, revenues and direct operational expenses related to the units of power generated in the interim period, which are not ready for their intended use, pending capitalisation, are disclosed as Capital Work-in-Progress. Any gain or loss on disposal of an item of PPE is recognised in statement of profit and loss.

Depreciation:

The Company has determined its depreciation method for each significant component considering various factors including consumption of economic benefit, technical evaluation of useful life, assessment of expected repairs and maintenance cost etc. Based on the said assessment, depreciation on certain major assets of power plant comprising of Boiler Turbine and Generator Units (employing super critical technology), Ash Handling Plants and Coal Handling Plants been determined as WDV method and balance assets including coal mine assets, straight line method has been determined as the appropriate method. Depreciation on addition to PPE is calculated prorata basis. PPE is derecognized if asset is sold or discarded.

Depreciation is calculated using straight line method (SLM) / Written down value (WDV) on the respective assets as mentioned above to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives considered for the purpose of depreciation is as follows:

Particulars	Useful lives
Buildings	60 years
Temporary structure	3 years
Plant and Machinery - Power Plant related assets comprising of Boiler Turbine and Generator Units (employing super critical technology), Ash Handling Plants and Coal Handling Plants	3 to 40 years
Plant and Machinery - Coal Mine Heavy Earth Moving and Mining Equipments	30 years
Furniture and fixtures	3 to 10 years
Motor Vehicles	3 to 5 years
Office equipments	3 to 5 years
Computers	3 to 6 years

The useful lives considered is based on useful life of the assets prescribed under Part C of Schedule II to the Companies Act, 2013 except in respect of Coal Mine Heavy Earth Moving and Mining Equipments where the useful lives determined are based on internal assessment and technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of asset.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier, except leasehold land for coal mining, which is amortised over the period of mining rights.

Freehold land acquired for coal mining is amortised over the period of mining rights, considering the same cannot be put to any other purpose other than mining.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

(d) Mining properties under tangible assets :

i. Overburden removal costs:

Removal of overburden and other waste material, referred to as "Stripping Activity", is necessary to extract the coal reserves in case of open pit mining operations. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

The overburden removal costs are included in Mining properties under Property, plant and equipment and amortised based on stripping ratio on the quantity of coal excavated. Overburden removal cost includes cost of explosive, spares, fuel and power related to equipments, direct labour, other direct expenditure and appropriate portion of variable and fixed overhead expenditure.

ii. Mine closure obligation:

The liability to meet the obligation of mine closure has been measured at the present value of the management's best estimate based on the mine closure plan in the proportion of total area exploited to the total area of the mine as a whole. These costs are updated annually during the life of the mine to reflect the developments in mining activities.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognized as interest expense.

The Mine closure obligation cost has been included in mining properties under Property, plant and equipment and amortised over the life of the mine on a unit of production basis.

iii. Mine development expenditure:

Expenditure incurred on development of coal mine is grouped under Capital Work-in-Progress till the coal mine is ready for its intended use. Once the mine is ready for its intended use, such mine development expenditure is capitalised and included in Mining properties under Property, plant and equipment.

Mine development expenditure is amortised over the life of the mine on a unit of production basis.

(e) Intangible assets :

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "intangible assets under development".

Mining right represents directly attributable cost (other than the land cost) incurred for obtaining the mining rights for a period of thirty years.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer software is amortised over an estimated useful life of 3 years.

Mining rights are amortised on a straight line basis over the period of 30 years i.e. the period over which the Company has right to carry out mining activities.

(f) Impairment of non-financial assets :

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Inventories :

Inventories of tools, stores, spare parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non-refundable duties and charges incurred in bringing the goods to their present location and condition, and net realisable value after providing for obsolescence and other losses.

In case of coal stock, the measured stock is based on a verification process adopted and the variation between measured stock and book stock is charged to Statement of Profit and Loss.

(h) Trade Receivable :

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Financial Instruments :

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

Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from other equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

iii. Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company measures the expected credit loss associated with its trade receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv. Derecognition of Financial Assets

A financial asset is derecognised only when:

- the rights to receive cash flows from the asset have expired, or

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient.
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Income recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(j) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(k) Derivative financial Instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Further gains / losses arising on settlement and fair value change on derivative contracts are classified to finance cost.

(l) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Financial liabilities :

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payables: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest method.

iv. Derecognition

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current. If the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(n) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(o) Provisions, Contingent Liabilities and Contingent Assets :

Provisions

Provisions are recognised when there is present or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent Assets:

A contingent asset is disclosed, where an inflow of economic benefits is probable.

(p) Foreign currency transaction :

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees', which is also the Company's functional currency and all amounts are rounded to the nearest lakhs, unless otherwise stated.

ii. Transactions and balances

- (i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (ii) All exchange differences arising on reporting of foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in Ind AS 101 to continue the policy adopted in previous GAAP for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein foreign exchange differences on account of depreciable asset, are adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
- (iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

(q) Revenue recognition :

The Company recognises revenue when the amount of revenue can be reliably measured at fair value of consideration received or receivable, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate on historical results, taking into consideration the type of transactions and specifics of each arrangement.

i) Sale of energy

Revenue from sale of energy is recognized when it is measurable and there is reasonable certainty for collection, in accordance with the tariff provided in the PPA and considering the petitions filed with regulatory authorities for tariff as per the terms of PPA.

ii) Late payment surcharge

The surcharge on late payment / overdue trade receivables for sale of energy is recognised when no significant uncertainty as to measurement or collectability exists.

(r) Employee benefits :

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post employee obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are accrued or services received. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(s) Income taxes :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(t) Government grant :

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and credited to Profit or loss in the proportions in which depreciation expense on those assets is recognised.

(u) Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(v) Earnings per share :

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of ordinary shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential ordinary shares, if any except when results will be anti dilutive.

(w) Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(x) Segment Reporting :

The Operating segments has been identified and reported taking into account its internal financial reporting, performance evaluation and organizational structure of its operations, operating segment is reported in the manner evaluated by Board considered as Chief Operating Decision-Maker under Ind AS 108 "Operating Segment".

2.2 Critical accounting estimates and judgments

The preparation of the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful lives of Power Plants

The Company has independently estimated the useful life and method of depreciation of power plant and coal mine assets considering factors such as consumption of economic benefit, technical evaluation of useful life, assessment of expected repairs and maintenance cost etc. In actual, the estimate considered for above factors could be different. When the useful lives differ from the original estimated useful lives, the Company will adjust the estimated useful life accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, plant and equipment. (Refer note 3.1)

(b) Stripping ratio for coal mining

Significant estimate is involved in case of open pit mining operations for estimating quantity of overburden and mineable coal reserve which would be extracted over the life of the mine, based on which stripping ratio is determined. This ratio is periodically reviewed and changes, if any, are accounted for prospectively. The Company has considered the stripping ratio based on the coal mine plan approved by the regulator (Refer note 3.1).

(c) Income taxes

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. (Refer note 13)

(d) Deferred tax

The Company has deferred tax assets and liabilities which are expected to be realised through the Statement of Profit and Loss over the extended periods of time in the future. In calculating the deferred tax items, the Company is required to make certain assumptions and estimates regarding the future tax consequences attributable to differences between the carrying amounts of assets and liabilities as recorded in the financial statements and their tax bases. Assumptions made include the expectation of future operating performance that will be consistent with historical levels of operating results, recoverability periods for tax loss carry forwards will not change, and that existing tax laws and rates will remain unchanged into foreseeable future. (Refer note 13)

(e) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset / residual value is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of Property, plant and equipment is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated efficiency of the plant, fuel availability at economical rates, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

(f) Fair value measurement and valuation process

The Company has measured certain assets and liabilities at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement. In estimating the fair value, the management has engaged third party qualified valuer to perform the valuations.

(g) Mine closure obligation

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalized when incurred reflecting the Company's obligations at that time. The provision for decommissioning assets is based on the current estimate of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate.

3.1 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment ¹	Mining properties ²	Furniture & fixtures	Motor Vehicles	Office equipment	Computers	Roupees in lakhs
										Total
Gross carrying amount										
Balance as at April 01, 2016	38,037	19,548	59,148	2,525,653	95,449	1,531	185	308	113	2,735,972
Additions	630	131	2,712	117,944	57,575	5	-	2	-	178,342
Adjustments ¹	-	-	-	(2,372)	-	-	-	-	-	(2,372)
Disposal	-	-	-	1,753	-	-	-	-	-	1,753
Balance as at March 31, 2017	38,667	19,679	61,860	2,639,472	153,327	1,536	185	310	113	2,915,149
Accumulated depreciation										
Balance as at April 01, 2016	167	522	3,250	137,256	62,820	176	53	20	41	204,450
Depreciation charge during the year ^{2,3}	167	532	3,492	139,856	54,249	180	52	45	19	196,590
Disposal	-	-	-	96	-	-	-	-	-	96
Balance as at March 31, 2017	334	1,054	6,782	277,016	117,168	356	110	65	59	402,944
Gross carrying amount										
Balance as at April 01, 2017	38,657	19,679	61,860	2,639,472	153,327	1,536	185	310	113	2,915,149
Additions	259	2,165	5,435	72,004	69,368	14	10	96	36	148,298
Adjustments ¹	-	-	-	1,454	-	-	-	-	-	1,454
Disposal	-	-	-	889	-	-	39	-	-	728
Balance as at March 31, 2018	38,916	21,864	67,296	2,712,241	222,695	1,550	156	348	149	3,065,173
Accumulated depreciation										
Balance as at April 01, 2017	167	522	3,250	137,256	62,820	176	53	20	41	204,450
Depreciation charge during the year ^{2,3}	169	582	3,334	145,221	59,698	180	34	44	13	209,232
Disposal	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	333	1,104	6,584	277,016	117,168	356	110	65	59	402,944
Net carrying amount										
Balance as at March 31, 2017	38,333	18,625	55,078	2,362,456	36,159	1,180	75	245	54	2,512,095
Net carrying amount as on March 31, 2018	38,373	20,248	57,180	2,335,004	46,861	1,014	12	237	77	2,453,506

Notes:

- 1 Includes adjustment towards capitalisation of exchange differences (Refer note 5).
- 2 Refer note 2.1 (c) and note 2.1 (d)
- 3 Mining properties includes expenses incurred towards removal of over burden (Refer note 3.2(e)).
- 4 Includes adjustment towards government grant and transaction cost (Refer note 2.1(f))

Depreciation / Amortisation on Property, Plant and equipment and intangible assets

Particulars	March 31, 2018	March 31, 2017
Statement of profit and loss		
Amortisation of mining properties	133,971	131,658
Depreciation included in cost of fuel consumed	59,665	54,248
Depreciation included as part of overburden and coal excavation expenses	1,226	981
	12,470	11,819
	209,333	198,706

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

3.2 Capital Work-in-Progress

Particulars	Rupees in lakhs			
	As at April 1, 2017	Incurred/Adjusted during the year	Capitalised /Adjusted	As at March 31, 2018
A. Assets under Construction	42,777	19,911	57,451	5,237
B. Expenditure pending allocation				
Interest and Finance Charges	6,247	-	6,247	-
Employee Benefit expense:				
- Salaries and Other Costs	256	-	256	-
- Contribution to Provident and Other Funds	12	-	12	-
- Gratuity and Leave Encashment	9	-	9	-
Depreciation/Amortisation	20	-	20	-
Foreign Exchange Loss/ (Gain) (Net)	1,189	-	1,189	-
Legal and Professional Charges (including shared service charges)	254	-	222	32
Other direct and incidental expenditure	1,238	-	1,173	65
	9,225	-	9,128	97
C. Construction stores	675	-	388	287
Total Capital Work In Progress (A+B+C)	52,677	19,911	66,967	5,621
Previous Year	47,758	29,040	24,121	52,677

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

3.2(a) Mining Properties - Overburden excavation expense:

Particulars	Expenses incurred during the year	Rupees in lakhs Expenses incurred previous year
Fuel consumed	17,225	16,149
Stores and spares consumed	10,895	15,337
Employee benefit expense	-	-
- Salaries and Other Costs	2,969	2,857
- Contribution to Provident and Other Funds (Refer note 7)	93	90
- Gratuity and Leave Encashment (Refer note 7)	28	11
Depreciation on mining assets	12,470	11,819
Mine Development charges	6,491	2,177
Rent	6	82
Repair & Maintenance	-	-
- Plant & Machinery	1,214	651
- Building	420	908
- Others	440	60
Legal & Professional Charges	34	30
Insurance	2	10
Travelling Expense	6	9
Other expenses	17,075	7,688
Less : Transfer to Mining properties (Tangible assets)	(69,368)	(57,878)
Balance at the end of the year	-	-

3.3 Intangible assets

Particulars	Rupees in lakhs		
	Computer software	Mining rights	Total
Gross carrying amount			
Balance as at April 01, 2016	55	3,102	3,157
Additions	27	-	27
Balance as at March 31, 2017	82	3,102	3,184
Accumulated amortisation			
Balance as at April 01, 2016	32	111	143
Amortisation charge during the year	5	111	116
Balance as at March 31, 2017	37	222	259
Gross carrying amount			
Balance as at April 01, 2017	82	3,102	3,184
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2018	82	3,102	3,184
Accumulated amortisation			
Balance as at April 01, 2017	37	222	259
Amortisation charge during the year	-	110	110
Disposals	-	-	-
Balance as at March 31, 2018	37	332	369
Net carrying amount			
Net carrying amount as on March 31, 2017	45	2,880	2,925
Net carrying amount as on March 31, 2018	45	2,770	2,815

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

	As at March 31, 2018	Rupees in lakhs As at March 31, 2017
3.4 Non-current financial assets		
3.4(a) Margin money deposits		
Margin money deposits (against buyers credit, letter of credit etc.)	1,218	12,365
	<u>1,218</u>	<u>12,365</u>
3.4(b) Other financial assets (unsecured, considered good)		
Derivative assets (Mark to Market on derivative instruments (Net))	8,542	8,034
Security Deposits	132	2,871
	<u>8,674</u>	<u>10,905</u>
3.5 Deferred tax assets (net)		
Deferred tax assets (net) due to temporary differences [Refer note 13(d)]	45,685	42,019
	<u>45,685</u>	<u>42,019</u>
3.6 Other non-current assets (Unsecured and considered good unless stated otherwise)		
Capital advances [Includes Capital advance to related party (Refer note 9)]	51,875	37,466
Advance recoverable in kind	-	274
Advance income tax and tax deducted at source (net of provision for tax)	373	908
Balance with statutory authorities	22,747	11,006
	<u>74,995</u>	<u>49,654</u>
3.7 Inventories		
Fuel [including material in transit of Rs 142 lakhs (March 31, 2017 : Nil)]	5,744	8,126
Stores and spares	50,242	49,783
	<u>55,986</u>	<u>57,909</u>
3.8 Current financial assets		
3.8(a) Investments		
Investments in Mutual Funds (Fair value through profit and loss)		
Unquoted		
Indiabulls Ultra Short Term Fund - Growth	12,687	-
[Number of units 734,086.429 (March 31, 2017 Nil) face value of Rs. 1000 each]		
Indiabulls liquid fund - Direct Growth	1,752	25,161
[Number of units 103,205 (March 31, 2017 : 1,583,575) face value of Rs. 1000 each]		
Reliance medium term fund -Direct Growth Plan - Growth Option	8,284	21,306
[Number of units 22,308,593 (March 31, 2017 : 61,417,599) face value of Rs. 10 each]		
JM High Liquidity Fund (Direct) - Growth Option	838	23,423
[Number of units 1,752,291 (March 31, 2017 : 52,620,517) face value of Rs. 10 each]		
SBI Magnum Insta Cash Fund - Regular Plan - Growth	-	10,049
[Number of units Nil (March 31, 2017 : 476,951) face value of Rs. 1000 each]		
SBI Ultra Short Term Debt Fund - Growth	4,421	-
[Number of units 196,315 (March 31, 2017 : Nil) face value of Rs. 1000 each]		
	<u>27,892</u>	<u>79,939</u>
Aggregate amount of unquoted investments.	27,992	79,839

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

	As at March 31, 2018	Rupees in lakhs As at March 31, 2017
3.8(b) Trade receivables (Unsecured and considered good unless stated otherwise) Trade receivables (includes Receivable from related party (Refer note 9))	52,811	63,389
	<u>52,811</u>	<u>63,389</u>
3.8(c) Cash and cash equivalents Balance with banks: - In current accounts - Deposit account with original maturity of less than three months	666	2,449
	-	2,777
	<u>666</u>	<u>5,226</u>
3.8(d) Bank balances other than cash and cash equivalents Deposits with maturity of more than three months but less than twelve months Margin money deposits (against buyers credit, letter of credit etc.)	-	4,765
	3,951	-
	<u>3,951</u>	<u>4,765</u>
3.8(e) Other financial assets (Unsecured and considered good unless stated otherwise) Unbilled revenue (Refer note 18) Advances to employees recoverable in cash Advances to related party (Refer note 9) Interest accrued on deposits Insurance claim receivable	7,254	11,897
	38	57
	7,075	5,110
	202	-
	-	1,765
	<u>14,569</u>	<u>19,819</u>
3.9 Other current assets (Unsecured and considered good unless stated otherwise) Advance recoverable in kind Balance with government authorities Prepaid expenses	1,424	8,487
	2,178	15,710
	1,608	1,833
	<u>5,210</u>	<u>26,030</u>

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

	As at March 31, 2018	Rupees in lakhs As at March 31, 2017
3.10 Equity share capital		
Authorised 5,000,000,000 (March 31, 2017 : 5,000,000,000) equity shares of Rs.10 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital 4,327,364,250 (March 31, 2017 : 43,710,750) equity shares of Rs.10 each fully paid up	432,737	4,371
	<u>432,737</u>	<u>4,371</u>
3.10.1 Reconciliation of number of equity shares		
Balance at the beginning of the year - 43,710,750 (March 31, 2017: 43,710,750) shares of Rs.10 each	4,371	4,371
Add: Issued during the year - 4,283,653,500 (March 31, 2017: Nil) shares of Rs.10 each	428,366	-
Balance at the end of the year - 4,327,364,250 (March 31, 2017: 43,710,750) shares of Rs.10 each	<u>432,737</u>	<u>4,371</u>

3.10.2 Rights, preference and restriction attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

3.10.3 Equity shares held by Holding Company

Reliance Power Limited - Holding Company 4,327,364,250 (March 31, 2017: 43,710,750) equity shares of Rs.10 each fully paid up	432,737	4,371
[Out of the above, 7 (March 31, 2017: 7) shares are jointly held by Reliance Power Limited and its nominees]		
	<u>432,737</u>	<u>4,371</u>

3.10.4 Details of equity shares held by equity shareholders holding more than 5% of the aggregate equity shares in the Company

	March 31, 2018	March 31, 2017
Equity shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company		
Percentage of holding in the class	100%	100%
Number of shares	4,327,366,650	43,710,750

3.10.5 The company has Issued 4,283,653,500 Bonus Shares for consideration other than cash in FY 2017-18.

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

	As at March 31, 2018	Rupees in lakhs As at March 31, 2017
Other equity		
3.11 Instruments entirely equity in nature		
Preference Shares	3,579	3,579
Inter-corporate deposits	20,000	20,000
	<u>23,579</u>	<u>23,579</u>
3.11.1 Preference Shares		
Authorised		
1,000,000,000 (March 31, 2017 : 1,000,000,000) preference shares of Rs.10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid up		
35,788,750 (March 31, 2017 : 35,788,750) equity shares of Rs.10 each fully paid up	3,579	3,579
	<u>3,579</u>	<u>3,579</u>
3.11.2 Reconciliation of number of preference shares		
Preference shares [refer note 3.11.3(a)]		
Balance at the beginning of the year - 35,788,750 (March 31, 2017: 35,788,750) shares of Rs.10 each	3,579	3,579
Balance at the end of the year - 35,788,750 (March 31, 2017: 35,788,750) shares of Rs.10 each	<u>3,579</u>	<u>3,579</u>
3.11.3 Rights, preference and restriction attached to Preference Shares and Inter corporate deposits		
a) 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
The Company has a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 per share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.		
b) Interest free Inter corporate deposit		
Interest free Inter corporate deposit, repayable to holding company after repayment of rupee term loan at a mutually agreed date i.e. on or after April 1, 2036.		
3.11.4 Preference Shares held by Holding Company		
Preference shares [refer note 3.11.3(a)]		
Reliance Power Limited - Holding Company	3,579	3,579
	<u>3,579</u>	<u>3,579</u>
3.11.5 Details of shares held by Preference shareholders holding more than 5% of the aggregate preference shares in the Company		
	March 31, 2018	March 31, 2017
Preference shares		
Preference shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company		
Percentage of holding in the class	100%	100%
Number of shares	35,788,750	35,788,750

	As at March 31, 2018	Rupees in lakhs As at March 31, 2017
3.11.6 Movement of instruments entirely equity in nature		
Preference shares		
Balance at the beginning of the year		
Add : Issued during the year	3,579	3,579
Less : Redeemed during the year	-	-
Closing balance	3,579	3,579
Inter-corporate deposits		
Opening balance		
Add : Received during the year	20,000	20,000
Less : Repaid during the year	-	-
Closing balance	20,000	20,000
Total	23,579	23,579
3.12 Reserves and surplus		
Balance at the end of the year		
Securities premium account	786,550	786,550
Less: Bonus Shares issued during the year	(428,366)	-
Balance Securities premium account	358,184	786,550
Retained earnings	52,318	63,833
Total reserves and surplus	410,502	850,383
3.12.1 Securities premium account		
Opening balance	786,550	786,550
Less: Bonus shares issued during the year	(428,366)	-
Closing balance	358,184	786,550
3.12.2 Retained earnings		
Balance at the beginning of the year	63,833	47,424
Net profit / (loss) for the year	(11,324)	16,446
Other comprehensive income	(191)	(37)
Closing balance	52,318	63,833
	410,502	850,383

Nature and purpose of reserves

Securities premium account

Securities premium account is created to record premium received on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

Rupces in lakhs

As at March 31, 2018	As at March 31, 2017
<p>Receivables in taxes</p> <p>Receivables in taxes are amounts due from taxpayers for the current year or prior years, which are not yet due to the government. These amounts are recorded as receivables in taxes on the balance sheet.</p>	<p>Receivables in taxes</p> <p>Receivables in taxes are amounts due from taxpayers for the current year or prior years, which are not yet due to the government. These amounts are recorded as receivables in taxes on the balance sheet.</p>

3.13 Non-current financial liabilities

3.13(a) Non-current borrowings

At amortised cost

Secured

Term loans:

Rupee loans from banks

Foreign currency loans from banks	598,109	535,591
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Rupee loans from financial institutions / other parties	210,000	155,762
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Foreign currency loans from financial institutions / other parties	373,003	376,076
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430,979	466,649
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1 403 001 1 534 070

3.13(a1) Nature of security for term loans

- a) Term loans from all banks, financial institution/other parties of Rs. 1,504,963 lakhs (March 31, 2017: Rs. 1,620,167 lakhs) are secured / to be secured by first charge on all the immovable and movable assets and intangible assets of the Company and pledge of 100% of the total issued share capital of the Company held by the Holding Company on pari passu basis with working capital lenders, permitted bank guarantee providers and hedge counterparties.

- b) The Holding Company has given financial commitments/guarantees to the lenders of the Company.

- c) Current maturities of long term borrowings have been classified as other current financial liabilities (refer note 3.16(c)).

3.13(a2) Terms of Repayment and Interest

- a) Rupee Term Loan outstanding as at the year end of Rs. 631,250 lakhs (March 31, 2017 : 540,401 lakhs) has been obtained from banks for the project. Earlier 50% of the loan was repayable in 40 quarterly instalments and remaining 50% in one single bullet payment at the end of ten years from March 31, 2015 was subsequently restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly instalments commencing from December 31, 2016 and carry an interest rate of 10.85% to 12.10% per annum payable on a monthly basis.

- b) The foreign currency loans from banks outstanding as at the year end of Rs. Nil (March 31, 2017 : 155,762 lakhs) are in the nature of buyer's credit availed in foreign currency to be refinanced through long term rupee term loans and carry an interest rate of USD LIBOR plus 50 basis points.

- c) Rupee Term Loan outstanding as at the year end of Rs. 108,940 lakhs (March 31, 2017 : Rs. 111,826 lakhs) has been obtained from financial institutions for the project. Earlier 50% of the loan was repayable in 40 quarterly instalments and remaining 50% in one single bullet payment at the end of ten years from March 31, 2015 was subsequently restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly instalments commenced from December 31, 2015 and carry an interest rate of 10.95% per annum payable on a monthly basis.

- d) Rupee Term Loan outstanding from FI as at the year end of Rs. 283,794 lakhs (March 31, 2017 : Rs. 291,264 lakhs) has been obtained from financial institutions for the project. Earlier the loan was repayable in 60 quarterly instalments starting from March 31, 2015 which has now been restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly instalments commenced from October 15, 2015 and carry an interest rate of 12.65% to 13.23% per annum payable on a quarterly basis.

- 50 % of Foreign Currency Loan from financial institutions/other parties outstanding as at the year end of Rs. 193,393 lakhs (March 31, 2017) : Rs. 207,436 lakhs) is repayable in 40 quarterly instalments commenced from March 31, 2015. Remaining 50% is repayable in one single bullet at the end of ten years from March 31, 2015 and carry an interest rate of USD LIBOR plus 305 basis points per annum payable on a monthly basis.

- 1) Foreign currency loan outstanding as at the year end of Rs. 247,369 lakhs (March 31, 2017 : 267,084 lakhs) is repayable in 24 semi-annual instalments commenced from March 20, 2016 and carry fixed interest rate of 3.65% per annum payable on a semi annual basis.

- g) Foreign currency loan from financial institution / other parties outstanding as at the year end of Rs. 40,217 lakhs (March 31, 2017 : Rs. 46,391 lakhs) is repayable in 19 semi-annual instalments commenced from March 20, 2015 and carry an interest rate of USD LIBOR plus 4 percent per annum payable on a semi annual basis.

- 3.13(a3) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 14,029 lakhs (March 31, 2017 Rs. 16,894 lakhs).

3.13(b) Other non-current financial liabilities

Derivative liability (Mark to Market) on derivative instruments12,285 7,494

FIGURE 6 ■ *Estimated percentage of U.S. population aged 18 years and older who are obese by year, 1970-2000.*

12,285 7,494

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

	As at March 31, 2018	Rupees in lakhs As at March 31, 2017
3.14 Non-current provisions		
Provision for gratuity (Refer note 7)	557	514
Provision for leave encashment (Refer note 7)	688	482
Provision for mine closure obligation (Refer note 11)	1,202	934
Others	-	220
	<u>2,447</u>	<u>2,150</u>
3.15 Other non-current liabilities		
Government Grant (Refer note 12)	163,022	176,241
Security Deposits	108	-
	<u>163,130</u>	<u>176,241</u>
3.16 Current financial liabilities		
3.16(a) Current borrowings		
At amortised cost		
Secured		
Cash credit facility from banks	54,558	50,349
Nature of security, interest and terms of repayment:		
- Cash credit facility is secured / to be secured by first charge on all current and fixed assets of the Company and pledge of 100% of the total issued share capital of the Company held by the Holding Company on pari passu basis with term loan lenders, permitted bank guarantee providers and hedge counterparties.		
- Cash Credit facility carry an average interest rate of 11% per annum.		
	<u>54,558</u>	<u>50,349</u>
3.16(b) Trade payables		
Total Outstanding dues of micro enterprises and small enterprises (Refer note 22)		
Total Outstanding dues of creditors other than micro enterprises and small enterprises	20,673	20,019
	<u>20,673</u>	<u>20,019</u>
3.16(c) Other current financial liabilities		
Current maturities of long-term borrowings (Refer note 3.13(a1) and 3.13(a2))	88,842	69,194
Interest accrued but not due on borrowings	4,821	5,735
Security deposits received	443	161
Creditors for capital expenditure including payable to related parties (Refer note 9)	4,386	11,026
Retention money payable including payable to related parties (Refer note 9)	100,082	105,133
Creditors for supplies and services	2,175	2,264
Derivative financial instruments	-	13,334
Employee benefits payable	1,899	1,814
Other payables	2,929	-
	<u>205,577</u>	<u>208,661</u>
3.17 Other current liabilities		
Government grant (Refer note 12)	13,219	14,228
Statutory dues (including electricity duty and energy development cess, provident fund etc)	10,602	43,602
Advance from customers	1,574	4,561
	<u>25,395</u>	<u>62,391</u>
3.18 Current provisions		
Provision for leave encashment (Refer note 7)	225	91
	<u>225</u>	<u>91</u>

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

	Year ended March 31, 2018	Rupees in lakhs Year ended March 31, 2017
3.19 Revenue from operations		
Sale of energy	466,007	486,114
Interest from customer on delayed payments [including interest from related party (Refer note 9)]	1,856	5,581
	467,863	491,695
3.20 Other income		
Interest income on financial assets measured at amortised cost :		
Bank deposits	476	1,784
Income from investments mandatorily measured at FVPL :		
Investment in mutual funds	1,683	2,240
Net Gain on sale of financial assets mandatorily measured at fair value :		
Investment in mutual funds	1,605	6,089
Net Gain on disposal of property, plant and equipment	-	462
Government grants (Refer note 12)	14,228	11,416
Gain on foreign exchange fluctuations (Net)	71	5,677
Other non-operating income	607	1,558
	18,670	29,226
3.21 Cost of fuel consumed		
Opening balance of fuel	8,126	6,872
Amortisation of mining properties	58,666	54,248
Taxes and duties	54,868	112,498
Fuel	5,486	3,008
Stores and spares	2,578	297
Depreciation	1,226	981
Other expenses	1,480	4,785
Less : Closing balance of fuel	(5,744)	(8,126)
	126,686	174,563
3.22 Employee benefits expense		
Salaries, bonus and other allowances	7,924	7,620
Contribution to provident fund and other funds (Refer Note 7)	315	313
Gratuity (Refer Note 7)	192	186
Leave encashment	77	200
Staff welfare expenses	228	313
	8,736	8,632

	Rupees in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
3.23 Finance cost		
Interest and finance expense on financial liabilities measured at amortised cost :		
On Rupee term loans	115,171	106,437
On Foreign currency loans	24,075	29,923
On Working capital loans	4,203	3,020
Unwinding of discount on mine closure provision (Refer note 11)	124	96
Net loss on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	9,414	18,966
Other finance charges	1,013	3,229
	154,000	161,671
3.24 Generation, administration and other expenses		
Stores and spares consumed	5,949	4,534
Rent expenses	560	501
Repairs and maintenance		
- Plant and equipment	7,224	5,251
- Building	110	299
- Others	453	1,415
Stamp duty and filing fees	10	-
Legal and professional charges (Including shared service charges) (Also refer note 6)	15,083	2,692
Travelling and conveyance	1,233	1,193
Rates and taxes	52	143
Insurance	5,167	6,107
Water Charges	4,235	4,553
Loss on sale of assets	247	-
Electricity duty and energy development cess	31,741	28,868
Provision for doubtful debts / amount written-off	-	3,498
Expenditure towards Corporate Social Responsibilities (Refer note 19)	-	8
Miscellaneous expenses	3,066	3,907
	75,130	62,969

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

4) Contingent liabilities and commitments:

- a) The Company has received claims amounting to Rs. 1,001 lakhs (March 31, 2017 Rs.3,485 lakhs) from contractors towards deductions made by the Company due to non-performance of certain obligations under the terms of arrangement for the construction of certain works. The matter is under dispute.
- b) The Company has received favorable order from Office of the Commissioner, Service Tax IV, Mumbai for service tax demand of Rs. 2,229 Lakhs raised by DGCEI (Directorate General of Central Excise Intelligence) on exposure fees. Service tax department has filed the appeal before CESTAT against the order of Commissioner, Service Tax IV, Mumbai.
- c) The Company has received claims amounting to Rs.18,899 lakhs (March 31, 2017: Rs.16,127 lakhs) from a party towards consultancy and advisory services provided by them. As per the terms of arrangement between both the parties, the same would be settled by an arbitration process. Presently, the Arbitral Tribunal has been constituted and the matter is pending before the Arbitral Tribunal.
- d) The Company has received a claim of Rs. 2,568 lakhs (March 31, 2017: Rs.2,568 lakhs) from some of the procurers alleging delay in achievement of commercial operation of first and second unit, which has been disputed by the Company and is pending before the High Courts.
- e) The Company has disputed the quantification of the demand for payment of tax on annual value of mineral bearing land amounting to Rs.15,683 lakhs (March 31, 2017: Rs. 8,065 lakhs) from District Authorities under Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam (MPGSTVA) and hence the same is deposited as per quantification done by the Company. The company had filed a writ petition before Jabalpur High Court for revised quantification, however the same was rejected by the Court by its order dated 17th January 2018. The Company has now filed a Review Petition before Jabalpur High Court against its earlier order dated 17th January 2018 and the matter is pending.
- f) Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs.71,145 lakhs (March 31, 2017 Rs. 98,550 lakhs).

5) Exchange differences on long term foreign currency monetary items outstanding:

The Company has capitalised / adjusted the value of PPE with an amount of Rs 1,454 lakhs (March 31, 2017: Rs 2,372 lakhs) arising on settlement or reinstatement of the long term foreign currency monetary items outstanding as of March 31, 2018. Refer note 2.1(p) above for the policy.

6) Details of remuneration to auditors:

	Year ended March 31, 2018	Rupees in lakhs Year ended March 31, 2017
(a) As auditors		
For statutory audit	112	112
For others	2	29
(b) Out-of-pocket expenses	2	2

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

7) Employee Benefit Obligations

The Company has classified various employee benefits as under:

a) Leave obligations

The leave obligations cover the Company liability for sick and privileged leave.

	March 31, 2018	Rupees in lakhs March 31, 2017
Current*	225	91
Non-current	688	482

* The Company does not have an unconditional right to defer the settlements.

b) Defined contribution plans

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
- Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised following amounts in the statement of Profit and Loss / overburden excavation expenses for the year:

Particulars	Year ended March 31, 2018	Rupees in lakhs Year ended March 31, 2017
Contribution to provident fund	246	281
Contribution to employees' superannuation fund	3	6
Contribution to employees' deposit linked insurance scheme	-	6
Contribution to employees' pension scheme 1995	148	110

c) Post employment obligation

Gratuity:

The Company has a defined benefit plan, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days basic salary for every completed year of service or part thereof in excess of six months, based on the rate of basic salary last drawn by the employee concerned.

(i) Significant estimates: actuarial assumptions

Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	March 31, 2018	March 31, 2017
Discount rate (per annum)	7.65%	7.05%
Rate of increase in compensation levels	7.50%	7.50%
Rate of return on plan assets	7.65%	7.05%

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

(ii) Gratuity Plan

Particulars	Present value of obligation	Rupees in lakhs	
		Fair value of plan assets	Net amount
As at April 01, 2016	552	(260)	292
Current service cost	165	-	165
Interest on net defined benefit liability/assets	42	(21)	21
Total amount recognised in Statement of Profit and Loss / overburden excavation expenses	207	(21)	186
Remeasurements during the year			
Return on plan assets, excluding amount included in interest expense/(income)	-	(6)	(6)
(Gain) / loss from change in financial assumptions	69	-	69
Experience (gains) / losses	(26)	-	(26)
Total amount recognised in Other Comprehensive Income	43	(6)	37
Liabilities assumed/(settled)	-	-	-
Benefit payments	(45)	45	-
As at March 31, 2017	757	(242)	515

Particulars	Present value of obligation	Rupees in lakhs	
		Fair value of plan assets	Net amount
As at April 01, 2017	757	(242)	515
Current service cost	200	-	200
Interest on net defined benefit liability/assets	51	(18)	33
Total amount recognised in Statement of Profit and Loss / overburden excavation expenses	251	(18)	233
Remeasurements during the year			
Return on plan assets, excluding amount included in interest expense/(income)	-	10	10
(Gain) / loss from change in financial assumptions	(32)	-	(32)
(Gain) / loss arising from change in demographic assumptions	(168)	-	(168)
Experience (gains) / losses	(1)	-	(1)
Total amount recognised in Other Comprehensive Income	(201)	10	(191)
Liabilities assumed/(settled)	-	-	-
Benefit payments	(47)	47	-
As at March 31, 2018	760	(203)	557

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Present value of funded obligations	760	757
Fair value of plan assets	(203)	(242)
Deficit of funded plan	557	515

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018

(iii) Sensitivity analysis:

The sensitivity of the provision for defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on closing balance of provision of defined benefit obligations			
			Increase in assumptions		Decrease in assumptions	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
Discount rate	50 bps	50 bps	(3.36%)	(6.20%)	3.57%	6.82%
Rate of increase in compensation levels	50 bps	50 bps	3.56%	6.75%	(3.38%)	(6.20%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The above defined benefit gratuity plan administrated 100% by Reliance Nippon Life Insurance Company Limited as at March 31, 2018 as well as March 31, 2017.

For unfunded plan, the Company has no compulsion to pre fund the liability of the plan. The Company's policy is not to externally fund these liabilities but to recognize provision and pay the gratuity to its employees directly from its own resources as and when the same becomes due.

(v) Defined benefit liability and employer contributions:

The Company has agreed that it will aim to eliminate the deficit in defined benefit plan in subsequent years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 8.33% of the basic salaries.

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are Rs. 50 lakhs.

The weighted average duration of the defined benefit obligation is 6.93 years (2017 – 12.99 years).

(vi) The plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets under perform, this yield will create a deficit.

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

8) Assets pledged as security

Particulars	March 31, 2018	Rupees in lakhs March 31, 2017
Non-current		
First charge		
Financial assets		
Margin money deposit	1,218	12,365
Other financial assets	8,674	10,905
Non-financial assets		
Property, plant and equipment	2,453,006	2,512,205
Capital work-in-progress	5,621	52,677
Intangible assets	2,815	2,925
Other non-current assets	74,995	49,644
Total non-current assets pledged as security (A)	2,546,329	2,640,721
Current		
First charge		
Financial assets		
Investments	27,992	79,939
Trade receivables	52,811	63,389
Cash and bank balances	4,617	9,981
Other financial assets	14,569	19,819
Non-financial assets		
Inventories	55,986	57,909
Other current assets	5,210	26,030
Total Current assets pledged as security (B)	161,165	257,067
Total assets pledged as security (A+B)	2,707,514	2,897,788

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

9) Related party transactions:

As per Indian Accounting Standard 24 'Related Party Transactions' as prescribed by Companies (Indian Accounting Standards) Rules, 2015, the Company's related parties and transactions are disclosed below:

A) Entity having control over company:

Holding company
Reliance Power Limited (R Power)

B) Major investing parties/promoters having significant influence on the holding company directly or indirectly:

Companies

Reliance Infrastructure Limited (R Infra)

Individual

Shri Anil D. Ambani

C) Other related parties with whom transactions have taken place during the year/ closing balance existed at year end :

i) Key Management Personnel

- a) Shri Laxmi Dutt Vyas, Chief Financial Officer (w.e.f December 25, 2017)
- b) Shri Arvind Singh, Chief Financial Officer (upto September 29, 2017)
- c) Shri A.K.Singh, Chief Executive Officer (w.e.f July 29, 2017)
- d) Shri Yogendra Narain, Independent Director (upto September 8, 2017)
- e) Shri Paresh Rathod, Company Secretary
- f) Shri Bhola Singh, Director
- g) Shri Sachin Mohapatra, Director
- h) Shrimati Rashna Hoshang Khan, Independent Director
- i) Shri Ashok Kachardas Karnavat, Independent Director

ii) Fellow Subsidiary

- a) Vidarbha Industries Power Limited (VIPL)
- b) Coastal Andhra Power Limited (CAPL)
- c) Chitrangi Power Private Limited (CPPL)

iii) Company over which companies/ Individual described in clause B and/or C above have control / significant influence

- a) Reliance General Insurance company Limited (RGIL)
- b) Reliance Infocomm Infrastructure Limited (RIIPL)
- c) BSES Rajdhani Power Limited (BRPL)
- d) BSES Yamuna Power Limited (BYPL)
- e) Mulla & Mulla And Craigie Blunt & Caroe (Mulla & Mulla)

D) Details of transactions and closing balances:

(i) Transactions during the year:

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Sale of energy		
BRPL (net of rebate)	14,426	7,103
BYPL (net of rebate)	27,655	29,206

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Other operating revenue		
BRPL		264
BYPL	1,856	2,693
Legal and Professional Fees(including shared service charges)		
R Power	10,693	115
Mulla & Mulla	3	3
Insurance premium		
RGIL	5,188	6,676
Insurance claim received / accrued		
RGIL	-	7,110
Reimbursement of expenditure paid by		
R Power	584	485
RPSL	12	-
Reimbursement of expenditure paid for		
CPPL		
VIPL	4	-
BRPL	534	-
BYPL	-	2
R Power	-	6
	168	-
Material/Services received		
R Infra	1,463	16,685
Issue of bonus share		
R Power	428,365	-
Assets acquired		
CAPL		
CPPL	-	5
VIPL	2	-
R Infra	27	-
	8	-
Assets sold		
R Infra	430	-

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Trade receivable written off		
BRPL	-	2,816
BYPL	-	4,412
Advance paid		
R Power	-	6,110
R Infra	-	26,003
Remuneration to Key Management Personnel		
- Short term employee benefits	310	154
- Post-employment defined benefits	16	4
- Leave encashment	6	16
- Director sitting fees	7	6

(ii) Outstanding closing balances:

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Capital advance		
R Infra	29,747	30,966
Trade receivables and unbilled revenue		
BRPL	2,095	1,948
BYPL	6,729	12,875
Advance recoverable in cash		
R Power	7,075	6,110
Insurance claim receivable		
RGIL	-	1,755
Equity Share Capital (excluding premium)		
R Power	432,736	4,371
Preference Share Capital (excluding premium)		
R Power	3,579	3,579
Inter-corporate deposit (other equity)		
R Power	20,000	20,000
Retention money		
R Infra	565	565

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Other current financial liabilities		
RIIPL		
CPPL	256	256
	3	-
Advance from customer		
BRPL	-	2,098
Guarantees issued on behalf of the Company		
R Power	14,653	14,375
Capital Commitment		
R Infra	66,334	96,571
RIPUL	559	557

(iii) Reliance Infrastructure Limited has given an equity support undertaking to power procurers, that in the event of failure on part of Reliance Power Limited to invest, in full or in part, in the equity share capital of the Company, it shall subscribe to the balance equity.

(iv) The Holding Company has entered into agreements with the lenders of the Company wherein it has committed/ guaranteed to extend financial support in the form of equity or debt as per the agreed means of finance, in respect of the project being undertaken, including any capital expenditure over and above the project cost approved by the lenders and to meet shortfall in the expected revenues/debt servicing based on the future outcome of various uncertainties.

(v) The above disclosure does not include transactions with public utility service providers, viz. electricity, telecommunications in the normal course of business.

10) Earnings per share:

	March 31, 2018	March 31, 2017 (Reinstated)
Profit / (loss) available to equity shareholders (Rupees in lakhs) (A)	(11,324)	16,446
Number of equity shares		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	4,327,364,250	4,327,364,250 ²
Add: Adjustments on account of compulsory convertible redeemable Non-cumulative Preference Shares (Nos.)	35,778,750	35,788,750
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	4,363,153,000	4,363,153,000
Basic earnings / (loss) per share (A / B) (Rs.)	(0.26)	0.38
Diluted earnings / (loss) per share (A / C) (Rs.)	(0.26) ¹	0.38
Nominal value of an equity share (Rs.)	10.00	10.00

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

¹ 7.5% compulsory convertible redeemable non-cumulative preference shares had anti-dilutive effect on earnings per share and have not been considered for the purpose of computing diluted earning per share.

² No. of shares has been reinstated consequent to issue of bonus shares issued during the year

11) Provision for mine closure obligation

Particulars	Rupees in lakhs	
	As at March 31, 2018	As at March 31, 2017
Balance as at beginning of the year	934	724
Additions	144	114
Amount used/reversed	-	-
Unwinding of discount	124	96
Balance as at the end of the year	1,202	934

Provision for mine closure obligation represents estimates made towards the expected expenditure for restoring the mining area and other obligatory expenses as per the approved mine closure plan. The timing of the outflow with regard to the said matter would be in a phased manner based on the progress of excavation of coal and consequential restoration cost.

12) Government grants

Exemptions granted by Government of India to Ultra-mega power projects under the Customs Act, 1962 are recognised at their fair value as Government Grant. (Refer note 2.1(f)).

Given below are details of the movement of Government Grant:-

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Opening balance	190,469	201,815
Grants during the year	-	70
Released to profit and loss	(14,228)	(11,416)
Closing balance	176,241	190,469

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Current portion	13,219	14,228
Non-current portion	163,022	176,241
Closing balance	176,241	190,469

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

13) Income taxes

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as under:

(a) Income tax recognised in Statement of Profit and Loss

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
(i) Income Tax expense		
Current year tax	-	-
Income tax for earlier years	-	-
Total	-	-
(ii) Deferred tax		
Decrease (increase) in deferred tax assets	(3,666)	(35,018)
(Decrease) Increase in deferred tax liabilities	-	-
Total	(3,666)	(35,018)
Total income tax expense (i)+(ii)	(3,666)	(35,018)

(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Profit before tax	(14,990)	(18,572)
Tax at the Indian tax rate of 34.608% (2016-17 : 34.608%)	(5,188)	(6,427)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
-Deferred tax asset on account of temporary differences getting reversed during tax holiday period	1,573	(28,591)
-Increase in tax rate	(51)	-
Income tax expense	(3,666)	(35,018)

(c) Non-current tax assets:

Particulars	Rupees in lakhs	
	31 March 2018	31 March 2017
Opening balance	908	752
Add: Current tax payable for the year	-	-
Less: Taxes paid/ refunded	(535)	156
Closing balance	373	908

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

(d) Deferred tax balances:

The balance comprises temporary differences attributable to

Particulars	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Deferred tax assets / (liabilities)		
Property, Plant and Equipment and others	(15,900)	(9,183)
Government Grant	61,585	55,996
Borrowings – Transaction cost	-	(4,794)
Net deferred tax Assets	45,685	42,019

(e) Movement in deferred tax assets / (liabilities)

Particulars	Property, Plant and equipment	Government Grant	Other items	Rupees in lakhs
				Total
At April 01, 2016	(54,798)	67,624	(5,825)	7,001
(Charged)/credited to profit and loss	45,615	(11,628)	1,031	35,018
At March 31, 2017	(9,183)	55,996	(4,794)	42,019
(Charged)/credited to profit and loss	(6,717)	5,589	4,794	3,666
At March 31, 2018	(15,900)	61,585	-	45,685

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018

14) Fair value measurements

(a) Financial instruments by category

Particulars	Note	March 31, 2018		March 31, 2017	
		FVPL	Amortized cost	FVPL	Amortized cost
Financial assets					
Margin money deposits	3.4(a)	-	1,218	-	12,385
Derivative assets	3.4(b)	8,542	-	8,034	-
Security Deposits	3.4(b)	-	132	-	2,871
Investment in mutual funds – Growth plan	3.8(a)	27,992	-	79,939	-
Trade receivables	3.8(b)	-	52,811	-	63,389
Cash and cash equivalents	3.8(c)	-	866	-	5,226
Bank balances other than cash and cash equivalent	3.8(d)	-	3,951	-	4,755
Unbilled Revenue	3.8(e)	-	7,254	-	11,897
Advance to employees	3.8(e)	-	38	-	57
Insurance Claim receivable	3.8(e)	-	-	-	1,755
Advances to related parties	3.8(e)	-	7,075	-	6110
Interest accrued on deposits	3.8(e)	-	202	-	-
Total financial assets		36,534	73,347	87,973	108,425
Financial liabilities					
Borrowings (Refer note 1 below)	3.13(a) & 3.16(c)	-	1,550,312	-	1,659,356
Retention money payable	3.16(c)	-	100,082	-	105,133
Creditors for capital expenditure	3.16(c)	-	4,386	-	11,026
Derivative liability	3.13(b) & 3.16(c)	12,285	-	20,828	-
Trade payables	3.16(b)	-	20,673	-	20,019
Security deposits	3.16(c)	-	443	-	161
Creditors for supplies and services	3.16(c)	-	2,175	-	2,264
Employee benefits payable	3.16(c)	-	1,899	-	1,814
Other payable	3.16(c)	-	2,929	-	-
Total financial liabilities		12,285	1,682,899	20,828	1,799,773

Note - Composition of items included in borrowings above.

Note 1 – Borrowings

Particulars	Notes	March 31, 2018		March 31, 2017	
Long term borrowings	3.13(a)	1,402,091		1,534,078	
Short term borrowings	3.16(a)	54,558		50,349	
Current maturity of long term borrowings	3.16(c)	86,842		69,194	
Interest accrued but not due on borrowings	3.16(c)	4,821		5,735	
Total		1,550,312		1,659,356	

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The Company has not disclosed fair values of financial instruments such as short term trade receivables, trade payables, cash and cash equivalents, loans, security deposits, retention money etc. as carrying value is reasonable approximation of fair values. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Rupees in lakhs			
Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018	Level 2	Level 3	Total
Financial assets at FVPL			
Derivatives	8,542	-	8,542
Mutual funds - Growth plan	27,992	-	27,992
Total financial assets	36,534	-	36,534
Financial liabilities at FVPL			
Derivatives	12,285	-	12,285
Total financial liabilities	12,285	-	12,285
Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2018	Level 2	Level 3	Total
Financial assets			
Non-current bank balance	1,218	-	1,218
Security Deposits	-	-	-
Total financial assets	1,218	-	1,218
Financial liabilities			
Borrowings	1,484,352	-	1,484,352
Total financial liabilities	1,484,352	-	1,484,352
Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017	Level 2	Level 3	Total
Financial assets at FVPL			
Derivatives	8,034	-	8,034
Mutual funds - Growth plan	79,939	-	79,939
Total financial assets	87,973	-	87,973
Financial liabilities at FVPL			
Derivatives	20,828	-	20,828
Total financial liabilities	20,828	-	20,828

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2017	Rupees in lakhs		
	Level 2	Level 3	Total
Financial assets			
Non-current bank balance	12,365	-	12,365
Security Deposits	-	-	-
Total financial assets	12,365	-	12,365
Financial liabilities			
Borrowings	1,613,223	-	1,613,223
Total financial liabilities	1,613,223	-	1,613,223

(c) Valuation processes

The Company obtains assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes. Discussions of valuation processes and results are held between the Company and the valuer on periodically basis.

(d) Valuation technique used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue these units and will redeem such units of mutual fund to and from the investor.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable curves.
- The fair value of forward foreign exchange contracts is determined using Bloomberg forward contract pricing model, which determines fair value on a discounted cash flow basis.
- The fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- The fair value of remaining financial instruments is determined using discounted cash flow analysis.

(e) Fair value of financial assets and liabilities measured at amortised cost:

Particulars	March 31, 2018		Rupees in lakhs March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Non-current bank balances	1,218	1,218	12,365	12,365
Security Deposits	132	132	2,871	2,871
Total financial assets	1,350	1,350	15,236	15,236
Financial Liabilities				
Borrowings*	1,495,755	1,484,352	1,609,007	1,613,223
Total financial liabilities	1,495,755	1,484,352	1,609,007	1,613,223

* Carrying amount of borrowing includes long term borrowing, current maturity of long term borrowing and interest accrued but not due on borrowing.

Sasan Power Limited**Notes to the financial statements as of and for the year ended March 31, 2018 (continued)**

The carrying amount of current financial assets and liabilities (other than current maturity of long term borrowing and interest accrued but not due on borrowing which have been considered as part of borrowing) are considered to be the same as their fair values, due to their short term nature.

The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans).

For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

Note

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between any levels during the year.

The Company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

15) Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Diversification of bank deposits, letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial liabilities not denominated in Indian rupee (Rs.)	Sensitivity analysis	Foreign exchange forward contract and Call Spread Options
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

(a) Credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, mutual funds, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures with trade customers towards sale of electricity as per the terms of PPA under respective state regulations and respective state distribution companies including outstanding receivables.

Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company credit risk arises from accounts receivable balances on sale of electricity is based on the PPA entered with power procurers and inter-corporate deposits / loans given to group entities. The credit risk is low as the sale of electricity is based on the terms of the PPA which has been approved by the regulator. The inter-corporate deposits / loan have been given only to entities within the group. There is no change in the risk status of such corporates.

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

For banks and financial institutions, only highly rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level. The Company's policy to manage this risk is to invest in debt securities that have a good credit rating.

(a) Trade receivables

Trade receivables consists of Power Procurers with whom Company has entered into Power Purchase agreement (PPA) in order to sell the electricity generated at its power station. Credit risk in case of trade receivables would arise if the counter party would not be able to settle their obligations as agreed in the Power Purchase agreement (PPA). To manage the above risk the Company on a monthly basis assesses the financial reliability of the customers, taking into account the financial condition, current economic trends and analysis of bad-debts and ageing of accounts receivables. In addition the receivable balances are monitored by the Company on an ongoing basis, with the result that the Company's exposure to bad-debts is not significant.

Further trade receivable of the Company consists of customers which are mainly state government owned power distribution Companies.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and unbilled revenue as disclosed in note 3.8(b) and note 3.8(e).

(b) Other financial assets

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and bank balances including fixed deposits, derivative instruments, security deposits, advances to employees and related parties, the Companies exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments on the reporting date as disclosed in note 3.4(a), 3.4(b), 3.8(c), 3.8(d) and 3.8(e). The Company limits its counter party risk on the assets by dealing with banks/FI which are high rated. Further, there is no credit risk perceived pertaining to investments, advances given to related party and employees, derivative instruments and security deposits as disclosed in note 3.4(b).

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

In respect of its existing operations, the Company funds its activities primarily through long-term loans secured against plant and machinery and long terms loans and advances. In addition, the Company has working capital loans available which are renewable annually, together with certain intra-group loans. The Company's objective in relation to its existing operating business is to maintain sufficient funding to operate at an optimal level.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

(i) Maturities of financial liabilities

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2018	Less than 1 years	Between 1 year and 5 years	More than 5 years	Rupees in lakhs Total
<u>Non-derivatives</u>				
Borrowings*	281,068	848,657	1,546,886	2,676,611
Retention money payable	100,077	-	-	100,077
Creditors for capital expenditure	4,386	-	-	4,386
Trade payables	20,673	-	-	20,673
Security deposits received	443	-	-	443
Creditors for supplies and services	2,175	-	-	2,175
Employee benefits payable	1,899	-	-	1,899
Other payable	2,929	-	-	2,929
Total non-derivative liabilities	413,650	848,657	1,546,886	2,809,193
<u>Derivatives</u>				
Forward exchange contracts used for hedging:				
Outflow	-	43,160	55,341	98,501
Inflow	-	(35,192)	(45,546)	(80,738)
Total derivative liabilities		7,968	9,795	17,763
March 31, 2017	Less than 1 years	Between 1 year and 5 years	More than 5 years	Rupees in lakhs Total
<u>Non-derivatives</u>				
Borrowings*	257,328	1,012,108	1,656,757	2,926,194
Retention money payable	105,133	-	-	105,133
Creditors for capital expenditure	11,026	-	-	11,026
Trade payables	20,019	-	-	20,019
Security deposits received	161	-	-	161
Creditors for supplies and services	2,264	-	-	2,264
Employee benefits payable	1,814	-	-	1,814
Total non-derivative liabilities	397,746	1,012,108	1,656,757	3,066,611
<u>Derivatives</u>				
Forward exchange contracts used for hedging:				
Outflow	162,867	-	98,501	261,368
Inflow	(149,307)	-	(86,888)	(236,195)
Total derivative liabilities	13,560		11,613	25,173

* Borrowing includes interest for future period.

Sasan Power Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

(c) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign exchange risk and b) Interest rate risk

(i) Foreign currency risk

The Company has long term monetary liabilities which are in currency other than its functional currency. Foreign currency risk, as defined in Ind AS 107, arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

Foreign currency risk exposure:

The Company's exposure to foreign currency risk (all in USD \$) at the end of the reporting period expressed in Rs. are as follows:

Financial liabilities	Rupees in lakhs	
	March 31, 2018	March 31, 2017
Borrowings including Accrued Interest	481,452	677,902
Import payables	103,361	104,402
Gross foreign currency exposure	584,813	782,304
Covered by derivatives		
Forward contracts	(65,044)	(212,277)
Call spread/option	(156,106)	(191,922)
Net exposure to foreign currency risk	363,663	378,105

Sensitivity of foreign currency exposure

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. Also Refer 2.1(p) for accounting policy on exchange differences.

Impact on profit before tax / PPE	Rupees in lakhs	
	March 31, 2018	March 31, 2017
USD sensitivity		
INR/USD -Increase by 6% (March 31, 2017- 6%)*	(28,354)	(31,556)
INR/USD -Decrease by 6% (March 31, 2017- 6%)*	27,614	30,494

* Holding all other variables constant

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2018	Rupees in lakhs March 31, 2017
Variable rate borrowings	1,307,751	1,403,432

Sensitivity of Interest

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates:

Particulars	Impact on profit before tax March 31, 2018	Rupees in lakhs March 31, 2017
Interest cost -- increase by 5% on existing interest cost *	(6,304)	(5,612)
Interest cost -- decrease by 5% on existing interest cost *	6,304	5,612
* Holding all other variables constant		

16) Capital Management

(a) Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity. Debt includes long term borrowing including current maturity of long term borrowing and short term borrowing. The following table summarizes the capital of the Company:

Particulars	March 31, 2018	Rupees in lakhs March 31, 2017
Debt	1,545,491	1,653,621
Equity	866,818	878,333
Total	2,412,309	2,531,954

(b) The Company has not received any communication from lenders for non-compliance of any debt covenant.

17) Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

Information about major customers

Revenue for the years ended March 31, 2018 and March 31, 2017 were from customers located in India. Customers include government controlled public electricity distribution entities as well as private distribution entities.

Customer name	March 31, 2018		March 31, 2017	
	Revenue	% age of total revenue	Revenue	% age of total revenue
MP Power Management Company Limited	183,052	41%	191,319	38%
Punjab State Power Corporation Limited	65,650	15%	72,569	15%

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

Haryana Power Purchase Centre	46,918	10%	49,431	10%
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18) Revenue Recognition:

Based on appeal filed with APTEL and as legally advised, the Company has recognized revenue of Rs. 3,671 lakhs towards certain expenditure claimed by the Company as per the terms of the PPA under "change in law" and which were also allowed as pass through expenditure by the CERC.

During the year the Company has not billed revenue amounting to Rs.3,671 lakhs and is disclosed as "Unbilled Revenue" under the head "Other Current Financial Assets".

- 19)** As per the section 135 of the Companies Act, 2013, the Company is required to incur an expenditure of Rs. Nil (March 31, 2017: Rs.6 lakhs) being 2% of the average profit during the three immediately preceding years towards Corporate Social Responsibility, calculated in the manner as stated in the Act. Accordingly the Company has spent Rs. Nil (March 31, 2017:Rs.8 lakhs) towards promotion of education, healthcare and sanitation during the financial year.

20) Offsetting of financial assets and financial liabilities

The following table presents the derivative financial instruments that are offset as at March 31, 2018 and March 31, 2017 where as per the terms of the agreement the net position owing / receivable to a single counterparty in the same currency has been offsetted and presented at net amount in the balance sheet.

Particulars	Gross amounts	Gross amount sett-off in balance sheet	Rupees in lakhs Net balance presented in balance sheet
As at March 31, 2018			
Financial Liabilities			
Derivative Liabilities			
Total	12,285	-	12,285
Financial Assets			
Derivative Assets	8,542	-	8,542
Total	8,542	-	8,542
As at March 31, 2017			
Financial Liabilities			
Derivative Liabilities	20,847	(19)	20,828
Total	20,847	(19)	20,828
Financial Assets			
Derivative Assets	8,053	(19)	8,034
Total	8,053	(19)	8,034

Sasan Power Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (continued)

21) The company was having Company Secretary during the year as required by section 203 of the Companies Act, 2013, who has resigned with effect from 31st March 2018. Accordingly the financial statement of the company has not been authenticated by the Company Secretary as required by section 203 of the Companies Act, 2013.

22) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Sasan Power Limited

As per Our attached report of even date

For **B S R & Co LLP**

Chartered Accountants

Firm registration Number: 101248W/W-100022

For and behalf of the Board of Directors

Shrikant Digambar Kulkarni

Director

DIN no. 05136399

Bhavesh Dhupelia

Partner

Membership Number: 042070

Ashok Kachardas Karnavat

Director

DIN no. 07098455

For **Pathak HD & Associates**

Chartered Accountants

Firm registration Number:107783W

Rashna Hoshang Khan

Director

DIN no. 06928148

Vishal D Shah

Partner

Membership Number: 119303

Laxmi Dutt Vyas

Chief Financial Officer

Place: Mumbai

Date: April 18,2018

Place: Mumbai

Date: April 18,2018