

*Annual Report*  
2016 – 2017

*of*

*Atos Merchantile Private Limited*

**Independent Auditors' Report**

To the Members  
Atos Merchantile Private Limited

**I. Report on the Financial Statements**

We have audited the attached financial statements of Atos Merchantile Private Limited (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

**II. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 (hereinafter referred to as the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**III. Auditors' Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **IV. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017, its Loss and its cash flows for the year ended on that date.

#### **V. Report on Other Legal and Regulatory Requirements**

1. The requirements of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act are not applicable to the Company during the year under review.
2. Further as per the requirements of Section 143(3) of the Act, we report as follows:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the respective directors as on 31<sup>st</sup> March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
  - (f) We have no observations / comments on the financial transactions / matters which have adverse effect on the functioning of the Company, nor do we have

any qualified/adverse remarks related to the maintenance of the accounts or other matters connected therewith, in respect of the Company;

- (g) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - i) The Company does not have any pending litigations which would impact its financial position;
  - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

For SMMP & Associates  
Chartered Accountants  
Firm Registration No. 120438W

Chintan Shah  
Partner  
Membership No. 166729

Mumbai, 8<sup>th</sup> April 2017

**Annexure A to the independent Auditor's Report of even date on the financial statement of Atos Merchantile Private Limited**

**Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Atos Merchantile Private Limited("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company comprising of the Balance Sheet as at March 31st, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended.

**Management's Responsibility for Internal Financial Controls :**

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

**Auditors' Responsibility :**

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

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting :**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting :**

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

**Opinion :**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SMMP & Associates  
Chartered Accountants  
Firm Registration No. 120433W

Chintan Shah  
Partner  
Membership No. 166729

Mumbai, 8<sup>th</sup> April 2017

**Atos Mercantile Private Limited**  
**Balance Sheet as at March 31, 2017**

Particulars	Note No.	As at March 31, 2017 Rupees in '000	As at March 31, 2016 Rupees in '000	As at April 01, 2015 Rupees in '000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3.1	-	-	12
<b>Current assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3.2(a)	8	29	335
Other financial assets	3.2(b)	4,291	4,291	4,291
<b>Total Assets</b>		<b>4,299</b>	<b>4,320</b>	<b>4,638</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	3.3	100	100	100
Other equity	3.4			
Instrument entirely equity in nature		32	32	32
Reserves and surplus		(3,113)	(3,060)	(1,276)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provisions	3.5	-	-	230
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	3.6(a)	7,200	7,200	4,300
Other financial liabilities	3.6(b)	80	48	1,243
Provisions	3.7	-	-	9
<b>Total Equity and Liabilities</b>		<b>4,299</b>	<b>4,320</b>	<b>4,638</b>
Significant accounting policies	2			
Notes on financial statements	3 to 16			

@ Amount is below the rounding off norm adopted by the Group.  
The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

**For S M M P & Associates**  
Chartered Accountants  
Firm Registration No: 120438W

**For and on behalf of the Board of Directors**

**Chintan Shah**  
Partner  
Membership No. 166729

**Paresh Rathod**  
Director  
(DIN: 00004367)

**Sudhir Jain**  
Director  
(DIN: 07072085)

Place: Mumbai  
Date: 08/04/17

Place:  
Date:

**Atos Mercantile Private Limited**  
**Statement of Profit and Loss for the Period ended March 31, 2017**

Particulars	Note No.	Period ended March 31, 2017 Rupees in '000	Period ended March 31, 2016 Rupees in '000
Revenue from Operations		-	-
<b>Total Income</b>		<b>-</b>	<b>-</b>
<b>Expenses</b>			
Employee benefits expense	3.8	-	1,648
Depreciation and amortization expense		-	12
Generation, administration and other expenses	3.9	53	125
<b>Total expenses</b>		<b>53</b>	<b>1,785</b>
<b>Profit / (loss) before tax</b>		<b>(53)</b>	<b>(1,785)</b>
<b>Income tax expense</b>			
Current tax		-	-
<b>Profit / (Loss) for the year</b>		<b>(53)</b>	<b>(1,785)</b>
<b>Earnings per equity share: (Face value of Rs. 10 each)</b>			
Basic and Diluted (Rupees)	8	(5.3)	(178.5)
Significant accounting policies	2		
Notes on financial statements	3 to 16		

@ Amount is below the rounding off norm adopted by the Group.  
The accompanying notes are an integral part of these financial statements

As per our report of even date attached

**For S M M P & Associates**  
Chartered Accountants  
Firm Registration No: 120438W

**For and on behalf of the Board of Directors**

**Chintan Shah**  
Partner  
Membership No. 186729

**Paresh Rathod**  
Director  
(DIN: 00004357)

**Sudhir Jain**  
Director  
(DIN: 07072085)

Place: Mumbai  
Date: 08/04/17

Place:  
Date:



**Atos Mercantile Private Limited**  
Statement of changes in equity

**A. Equity Share Capital**

	Rupees In '000
Balance as at April 01, 2015	100
Changes in equity	-
Balance as at March 31, 2016	100
Changes in equity share capital	-
Balance as at March 31, 2017	100

**B. Other Equity**

Particulars	Reserves and Surplus			Instrument entirely equity in nature		Total
	Securities Premium Account	General Reserve	Retained Earnings	Preference share capital (Refer note 3.4.1)		
Balance as at April 01, 2015	32,278	3,056	(36,609)	32		(1,243)
Profit for the year	-	-	(1,785)	-		(1,785)
Other Comprehensive Income for the year	-	-	-	-		-
Total Comprehensive Income for the year	-	-	(1,785)	-		(1,785)
Balance as at 31 March 2016	32,278	3,056	(38,394)	32		(3,028)
Profit for the year	-	-	(53)	-		(53)
Other Comprehensive Income for the year	-	-	-	-		-
Total Comprehensive Income for the year	-	-	(53)	-		(53)
Balance as at 31 March 2017	32,278	3,056	(38,447)	32		(3,081)

As per our report of even date attached

**For S M P & Associates**  
Chartered Accountants  
Firm Registration No: 120438W

**Chintan Shah**  
Partner  
Membership No. 166729

Place: *Hyderabad*  
Date: *28/04/19*

For and on behalf of the Board of Directors

**Paresh Rathod**  
Director  
(DIN: 00004357)

**Sudhir Jain**  
Director  
(DIN: 07072085)

Place:  
Date:

**Alos Mercantile Private Limited**  
**Cash Flow Statement for the year ended March 31, 2017**

Particulars	Year ended March 31, 2017 Rupees in '000	Year ended March 31, 2016 Rupees in '000
<b>A Cash flow from operating activities</b>		
Net profit / (loss) before tax	(53)	(1,785)
Adjusted for :		
Depreciation	-	12
Operating profit / (loss) before working capital changes	(53)	(1,773)
Change in operating assets and liabilities:		
Increase / (decrease) loans and advances	-	@
(Increase) / decrease other current liabilities and provisions	32	(1,434)
	32	(1,434)
<b>Net cash generated / (used in) operating activities</b>	(21)	(3,207)
<b>B Cash flow from financing Activities</b>		
Receipt from unsecured loans	-	2,900
<b>Net cash generated / (used in) financing activities</b>	-	2,900
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B)</b>	(21)	(307)
<b>Opening balance in cash and cash equivalents</b>		
Balance in current account	29	335
<b>Closing balance in cash and cash equivalents</b>		
Balance in current account	8	29

@ Amount is below the rounding off norm adopted by the Group.  
The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For S M M P & Associates  
Chartered Accountants  
Firm Registration No: 120438W

For and on behalf of the Board of Directors

Chintan Shah  
Partner  
Membership No. 166729

Paresh Rathod  
Director  
(DIN: 00004357)

Sudhir Jain  
Director  
(DIN: 07072085)

Place: Mumbai  
Date: 08/04/17

Place:  
Date:

**Atos Mercantile Private Limited**  
**Notes to the financial statements as of and for the year ended March 31, 2017**

**1) General information**

Atos Mercantile Private Limited, a wholly owned subsidiary of Reliance Power Limited, was incorporated on January 12, 2010. It is engaged in the business of exploration and prospecting activities on Coal Bed Methane (CBM) and has 45% share on the Coal Bed Methane (CBM) Blocks- KG(E) CBM-2005/III located at Kothagudem, Andhra Pradesh

These financial statements were authorised for issue by the board of directors on April 10, 2017.

**2) Significant accounting policies:**

**2.1 Basis of preparation, 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 Indian Accounting Standards**

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"). These are the Company's first Ind AS financial statements and Ind AS 101, 'First-time Adoption of Indian Accounting Standards' has been applied. The policies set out below have been consistently applied during the year presented.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in note 3 below.

The financial statements are presented in 'Indian Rupees', which is also the Company's functional currency.

**(b) Historical cost convention**

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

- i. Defined benefit plans -- plan assets that are measured at fair value;

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:

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

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.

**(c) Recent accounting pronouncements**

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The amendments do not have any material impact on the financial statements of the Company.

**(d) Foreign currency translation:**

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' (INR), which is the Company's functional and the Company's presentation currency

**(e) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

**Transition to Ind AS:**

On transition to Ind AS, the company has elected to avail fair value of all of its property, plant and equipment recognised as at April 1, 2015 as deemed cost.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

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

**(f) 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 and adjustment arising from exchange rate variation attributable to the intangible assets.

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

**Amortisation method and periods**

Amortization 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.

**Transition to Ind AS:**

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**(g) Borrowing costs**

Borrowing costs include costs that are ancillary and required as per the terms of agreement. Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**(h) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(i) 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. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments 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 finance income using the effective interest rate method.

**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.

**iv. Derecognition of financial assets**

A financial asset is derecognised only when:

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

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) **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.

The Company's financial liabilities include borrowings, dues to holding company and creditors for capital expenditure.

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.

iv. **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

**(l) Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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.

**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. 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.

**(m) Employee benefits:**

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme and Leave Encashment.

**(i) Defined contribution plans:**

Contributions to defined contribution schemes such as provident fund and superannuation are charged off to the Statement of Profit and Loss during the year in which the employee renders the related service.

**(ii) Defined Benefit Plans:**

The Company also provides employee benefits in the form of gratuity and leave encashment, the liability for which as at the year-end is determined by independent actuaries based on an actuarial valuation using the projected unit credit method. Such defined benefits are charged off to the Statement of Profit and Loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

**(iii) Short term/ long term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss / Capital Work-In-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

**(n) Income tax**

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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.

**(o) Earnings per share**

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity 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 equity shares.

**(p) 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.

**2.2 Critical accounting estimates and judgements**

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

**(a) Defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**(b) 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.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period.



(c) Provision

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such change.

## 3.1 Property, Plant and Equipment

	Rupees in '000
	<b>Office equipment</b>
<b>Gross carrying amount</b>	
Deemed cost as at April 01, 2015	12
Additions during the year	-
<b>Carrying amount as at March 31, 2016</b>	<b>12</b>
Additions during the year	-
<b>Carrying amount as at March 31, 2017</b>	<b>12</b>
<b>Accumulated Depreciation as at April 1, 2015</b>	<b>-</b>
For the year	12
<b>Balance as at March 31, 2016</b>	<b>12</b>
For the year	-
<b>Balance as at March 31, 2017</b>	<b>12</b>
<b>Net Carrying Amount</b>	
As at April 1, 2015	12
As at March 31, 2016	-
As at March 31, 2017	-

Particulars	As at March 31, 2017 Rupees in '000	As at March 31, 2018 Rupees in '000	As at April 01, 2018 Rupees in '000
<b>3.2(a) Cash and cash equivalents</b>			
Balance with banks in current account (Includes Rs. 5 thousands (March 31, 2016: Rs. 18 thousands; April 01, 2016: 6 thousands) respectively share in Joint Operations) (Refer Note 13)	8	29	335
	<u>8</u>	<u>29</u>	<u>335</u>
<b>3.2(b) Other current financial assets (Unsecured and considered good)</b>			
Advance recoverable in cash or in kind	4,281	4,281	4,291
	<u>4,281</u>	<u>4,281</u>	<u>4,291</u>
<b>3.4 Other equity</b>			
Balance at the end of the year			
<b>3.4.1 Instrument entirely equity in nature</b>	32	32	32
<b>3.4.2 Securities premium account</b>	32,278	32,278	32,278
<b>3.4.3 General reserve</b>	3,058	3,058	3,058
<b>3.4.4 Surplus in the Statement of Profit and Loss</b>	(38,447)	(38,384)	(38,808)
	<u>(3,081)</u>	<u>(3,028)</u>	<u>(1,243)</u>
<b>3.4.1 Instrument entirely equity in nature</b>			
Preference Shares	32	32	32
<b>Reconciliation of number of shares</b>			
Preference shares [refer note no. 3.4.1 (a)] Balance at the beginning of the year 32,310 (March 31, 2016: 32,310; April 1, 2018: 32,310) shares of Rs. 1 each fully paid-up	32	32	32
Balance at the end of the year - 32,310 (March 31, 2016: 32,310; April 01, 2018: 32,310) shares of Rs. 1 each paid-up	<u>32</u>	<u>32</u>	<u>32</u>
<b>Terms/ rights attached to preference shares</b>			
<b>3.4.1 (a) 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b> The Company shall have 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 (23 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. 950 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>3.4.1 (b) Details of shares held by shareholders holding more than 6% of the aggregate shares in the Company</b>			
Preference shares [refer note no. 3.4.1 (a)] Rollarco Power Limited - Holding company	32	32	32
32,310 (March 31, 2016: 32,310; April 1, 2018: 32,310) Preference Shares of Rs. 1 each fully paid	<u>32</u>	<u>32</u>	<u>32</u>
<b>3.4.1 (c) Movement of Instruments entirely equity in nature</b>			
Balance at the beginning of the year 32,310 (March 31, 2016: 32,310; April 1, 2018: 32,310) shares of Rs. 1 each fully paid-up	32	32	32
Balance at the end of the year - 32,310 (March 31, 2016: 32,310; April 01, 2018: 32,310) shares of Rs. 1 each	<u>32</u>	<u>32</u>	<u>32</u>
<b>3.4.2 Securities premium account</b>			
Balance at the beginning of the year	32,278	32,278	
Balance at the end of the year	<u>32,278</u>	<u>32,278</u>	
<b>3.4.3 General reserve</b>			
Balance at the beginning of the year	3,058	3,058	
Balance at the end of the year	<u>3,058</u>	<u>3,058</u>	
<b>3.4.4 Surplus in the Statement of Profit and Loss</b>			
Balance at the beginning of the year	(38,384)	(38,008)	
Profit for the year	(82)	(1,785)	
Balance at the end of the year	<u>(38,447)</u>	<u>(38,384)</u>	
	<u>(3,113)</u>	<u>(3,058)</u>	
<b>3.5 Non-current provisions</b>			
Provision for gratuity	-	-	83
Provision for leave encashment (Refer note 6)	-	-	147
	<u>-</u>	<u>-</u>	<u>230</u>
<b>3.6(a) Current borrowings Unsecured - at amortised cost</b>			
Loans from related parties (Refer note 7)	7,200	7,200	4,300
	<u>7,200</u>	<u>7,200</u>	<u>4,300</u>
<b>3.6(b) Other current financial liabilities</b>			
Credits for supplies and services (includes Rs. 13 thousands (March 31, 2016: Rs. 13 thousands; April 01, 2018: Rs. 13 thousands) refer note 13)	52	46	1,104
Other payables	28	3	59
	<u>80</u>	<u>49</u>	<u>1,243</u>
<b>3.7 Current provisions</b>			
Provision for leave encashment (Refer note 6)	-	-	9
	<u>-</u>	<u>-</u>	<u>9</u>

Atlas Mercantile Private Limited  
Notes to the financial statements as of and for the period ended March 31, 2017

Particulars

	As at March 31, 2017 Rupees in '000	As at March 31, 2016 Rupees in '000	As at April 01, 2015 Rupees in '000
--	---	---	---

3.3 Share capital

Authorised share capital	250	250	250
25,000 (March 31, 2016; 25,000; April 01, 2015; 25,000) equity shares of Rs. 10 each	250	250	250
250,000 (March 31, 2016; 250,000; April 01, 2015; 250,000) preference shares of Rs. 1 each			

Issued, subscribed and fully paid up capital	500	500	500
10,000 (March 31, 2016; 10,000; April 01, 2015; 10,000) equity shares of Rs. 10 each fully paid-up	100	100	100
	132	132	132

3.3.1 Reconciliation of number of equity shares

Equity shares	100	100	100
Balance at the beginning of the year - 10,000 (March 31, 2016; 10,000; April 01, 2015; 10,000) shares of Rs. 10 each			
Balance at the end of the year - 10,000 (March 31, 2016; 10,000; April 01, 2015; 10,000) shares of Rs. 10 each	100	100	100

3.3.2 Terms/ rights attached to equity shares

Equity shares

The Company has only one class of equity shares having face 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.

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Equity shares						
Reliance Power Limited 10,000 (March 31, 2016; 10,000; April 01, 2015; 10,000) shares of Rs. 10 each	10,000	100%	10,000	100%	10,000	100%
(Out of the above 9,999 (previous year: 9,999) equity shares are held by Reliance Power Limited, the holding company and the balance 1 share is jointly held by Reliance Power Limited and its nominee)	10,000	100%	10,000	100%	10,000	100%

3.3.4 Shares held by Holding Company / Subsidiaries of Holding Company

	As at March 31, 2017 No. of Shares		As at March 31, 2016 No. of Shares		As at April 01, 2015 No. of Shares	
Equity Shares						
Reliance Power Limited - 10,000 (Previous year: 10,000) shares of Rs. 10 each fully paid-up	100,000	100%	100,000	100%	100,000	100%
(Out of the above 9,999 (previous year: 9,999) equity shares are held by Reliance Power Limited, the holding company and the balance 1 share is jointly held by Reliance Power Limited and its nominee)	100,000	100%	100,000	100%	100,000	100%

Atos Mercantile Private Limited

Notes to the financial statements as of and for the period ended March 31, 2017

Particulars	Period ended March 31, 2017 Rupees in '000	Year ended March 31, 2016 Rupees in '000
<b>3.8 Employee benefits expense</b>		
Salaries, bonus and other allowances	-	1,785
Contribution to provident fund and other funds	-	77
Gratuity and leave encashment	-	(214)
	-	<b>1,648</b>
<b>3.9 Generation, administration and other expenses</b>		
Legal and professional charges	38	68
Travelling and conveyance	-	5
Rates and taxes	3	2
Insurance	-	17
Exploration expenses	14	13
Miscellaneous expenses	-	20
	<b>53</b>	<b>125</b>

4) Project Status:

In term of the composite Scheme of Arrangement between Reliance Natural Resources Limited (RNRL) and Reliance Power Limited (R Power) and others, as sanctioned by the Honorable High Court of Judicature at Bombay vide order dated October 15, 2010, inter alia 45% non-operating participating interest in each of CBM block KG(E)-CBM-2005/III, was vested into the Company. The Consortium led by RNRL with Geopetrol International Inc. (Operator) and Reliance Infrastructure Limited was awarded the CBM block under 3rd round of CBM bidding in 2008 by Ministry of Petroleum and Natural Gas (MoPNG), Government of India. The Block KG(E) covers an area of 735 square kilometers and is situated in the State of Andhra Pradesh.

Keeping in view various issues faced by the Consortium like, non receipt of Petroleum Exploration License (PEL) for more than 5 years, The Consortium has relinquished its rights in respect of the CBM Block by passing a resolution in the 23rd Operating Committee meeting held on January 30, 2013. The decision has been conveyed to Government of India vide letter dated February 6, 2013. Since the Petroleum Exploration Licence (PEL) has not been granted, the contract stands ineffective. The consortium hence does not envisage any liability related to unfinished work programme.

5) Details of remuneration to auditors:

	Rupees in '000	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) As auditors		
For statutory audit	25	25
For others	-	-
	25	25

6) Employee benefit obligations

The Company has classified various employee benefits as under:

**Leave obligations**

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

Provision for leave encashment	Rupees in '000		
	March 31, 2017	March 31, 2016	April 01, 2015
Current*	-	-	9
Non-current	-	-	147

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

7) Related party transactions:

A. Parties where control exists:

**Holding Company:**

Reliance Power Limited (R Power)

B. Investing parties/promoters having significant influence on the 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:

**Joint Ventures**

KG (E) CBM-2005/III

## D. Details of transactions during the year and closing balance at the end of the year:

Particulars	March 31, 2017	March 31, 2016
	Rupees in '000	Rupees in '000
<b>Transactions during the year:</b>		
<b>Reimbursement of expenses</b>		
R Power	3,600	221
<b>Inter-corporate deposits taken</b>		
R Power	-	2,900

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Rupees in '000	Rupees in '000	Rupees in '000
<b>Closing balance</b>			
<b>Equity share capital (excluding premium)</b>			
R Power	100	100	100
<b>Preference share capital</b>			
R Power	32	32	32
<b>Inter corporate deposits taken</b>			
R Power	7,200	7,200	4,300

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

## 8) Earnings per share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Profit / (loss) available to equity shareholders</b>		
Profit / (loss) after tax (A) (Rupees in '000)	(53)	(1,785)
<b>Number of equity shares</b>		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic and diluted earnings per share (A / B) (Rs.)	(5.3)	(178.52)
Nominal value of an equity share (Rs.)	10.00	10.00

## 9) Income taxes

Rupees in '000		
The reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Particulars	March 31, 2017	March 31, 2016
Profit before tax	(53)	(1,785)
Tax at the Indian tax rate of 30.90%	(16.38)	(551.56)
Tax losses for which no deferred income tax was recognised	(16.38)	(551.56)
<b>Income tax expense</b>	-	-

## 10) Fair value measurements

## (a) Financial instruments by category

The Company does not have any financial assets or liabilities which are measured at FVTPL or FVOCI.

Rupees in '000			
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Financial assets</b>			
Cash and cash equivalents	8	29	335
Advance recoverable in cash or in kind	4,291	4,291	4,291
<b>Total financial assets</b>	<b>4,299</b>	<b>4,320</b>	<b>4,626</b>
<b>Financial liabilities</b>			
Loans from related parties	7,200	7,200	4,300
Creditors for supplies and services	52	45	1,184
Other financial liabilities	28	3	59
<b>Total financial liabilities</b>	<b>7,280</b>	<b>7,248</b>	<b>5,543</b>

**(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. 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. The company does not have long term financial assets and financial liabilities as at 31 March 2016 and 31 March 2017. Therefore table is presented only for financial assets and financial liabilities as at 1 April 2015.

**(c) Valuation technique used to determine fair values**

The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of security deposits and borrowings has been considered same as carrying value since there have not been any material changes in the prevailing interest rates. Impact on account of changes in interest rates, if any has been considered immaterial.

**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. This is the case for unlisted equity securities which are included in level.

There were no transfers between any levels during the year.

**11) 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, 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

**(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 and financial assets carried at amortised cost

**Credit risk management**

Credit risk is managed at company level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

**(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.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company



**Maturities of financial liabilities**

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

Rupees in '000				
March 31, 2017	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Financial liabilities</b>				
Loans from related parties	7,200	-	-	7,200
Creditors for supplies and services	52	-	-	52
Other financial liabilities	28	-	-	28
<b>Total financial liabilities</b>	<b>7,280</b>	<b>-</b>	<b>-</b>	<b>7,280</b>

Rupees in '000				
March 31, 2016	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Financial liabilities</b>				
Loans from related parties	7,200	-	-	7,200
Creditors for supplies and services	45	-	-	45
Other financial liabilities	3	-	-	3
<b>Total financial liabilities</b>	<b>7,248</b>	<b>-</b>	<b>-</b>	<b>7,248</b>

Rupees in '000				
April 01, 2015	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Financial liabilities</b>				
Loans from related parties	4,300	-	-	4,300
Creditors for supplies and services	1,184	-	-	1,184
Other financial liabilities	59	-	-	59
<b>Total financial liabilities</b>	<b>5,543</b>	<b>-</b>	<b>-</b>	<b>5,543</b>

**12) Capital Management****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 on a periodic basis. Equity comprises all components of equity includes the fair value impact. The following table summarizes the capital of the Group:

Rupees in '000			
	March 31, 2017	March 31, 2016	April 1, 2015
Equity	(2,981)	(2,928)	(1,143)
<b>Total</b>	<b>(2,981)</b>	<b>(2,928)</b>	<b>(1,143)</b>

**13) Interest in Joint Operations**

During the year, the company has accounted for Rs. 12,938 (Previous Year: Rs. 12,881) towards its share of expenditure on survey and prospecting activities on the Coal Bed Methane (CBM) blocks transferred to the company pursuant to the composite scheme of arrangement.

**Disclosure of the Company share in Joint Operations:-**

Name of the field	Location	Participating Interest %
KG (E) CBM-2005/III	Kothagudem, Andhra Pradesh	45

The above joint ventures are unincorporated joint ventures carrying out controlled Operations. Based on the statement of accounts of consortium, the Company account for its share of assets, liabilities, income and expenditure of Joint Operations in which it holds a participating interest. The Company's share of assets and liabilities of Joint Operations is given below:

	Rupees in '000		
	March 31, 2017	March 31, 2016	March 31, 2015
<b>Assets</b>			
Cash and bank balances	5	18	5
<b>Liabilities</b>			
Other current liabilities	13	13	13

**14) Segment reporting**

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.

**15) 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.

**16) During the year, the Company had no specified bank notes or no other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and there were no transaction during the period from November 8, 2016 to December, 30 2016.**

As per our report of even date attached

For S M P P & Associates  
Chartered Accountants  
Firm Registration No: 120438W

For and on behalf of the Board of Directors

Chintan Shah  
Partner  
Membership No.166729

Paresh Rathod  
Director  
(DIN: 00004357)

Sudhir Jain  
Director  
(DIN: 07072085)