

INDEPENDENT AUDITORS' REPORT

To The Members of Chitrangi Power Private Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **Chitrangi Power Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 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.

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 to give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
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 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
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 auditors' 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.

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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 (financial position) of the Company as at March 31, 2017, and its Loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 25, 2016 and May 23, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comment in the Annexure B, as required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

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- (c) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (d) 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 A.
- (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 knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations as at 31st March 2017 which would impact its financial position in its Ind AS financial statements ;
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March 2017 for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 18

For Chaturvedi and Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: April 11, 2017

Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Chitrangi Power Private Limited on the Ind As financial statements for the year ended March 31, 2017.
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Report on the Internal Financial Controls 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 **Chitrangi Power Private Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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

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

Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Chitrangi Power Private Limited on the Ind AS financial statements for the year ended March 31, 2017.
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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, 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 Chaturvedi and Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: April 11, 2017

Annexure 'B' to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Chitrangi Power Private Limited on the Ind As financial statements as of and for the year ended March 31, 2017

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- (i) In respect of its fixed assets: -
 - a) The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - c) According to the information and explanations given to us and records examined by us, the title deeds of immovable properties as disclosed in note no. 4.1 of the Ind As Financial Statements are in the name of company except leasehold hold which is pending for execution of lease deed in favour of the Company.
- (ii) The Company does not have any inventory. Therefore the provisions of clause 3 (ii) of the Companies (Auditors' Report) Order, 2016 is not applicable.
- (iii) According to the information and explanations given to us, during the year the Company has not granted any loans secured/unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve bank of India or any other tribunal.
- (vi) The Central Government of India pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014, ('Rules') has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company. However, the Rules are not applicable to the Company, as the Company has not started commercial operations.
- (vii) In respect of statutory dues:
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues. Further, there are no undisputed amounts payable outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.

Annexure 'B' to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Chitrangi Power Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2017

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- (vii) According to the information and explanations given to us, and based on our audit procedures, we are of the opinion that the Company has not taken any loan from a financial institution, bank, Government, nor it has issued debentures. Therefore, the provisions of the Clause 3 (viii) of the said order are not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit. Therefore, the provisions of the Clause 3 (ix) of the said order are not applicable to the Company.
- (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 fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) The Company has not paid managerial remuneration, accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind As) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Hence the provisions of clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with him. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and 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, therefore clause 3 (xvi) of the Order is not applicable to the Company.

For Chaturvedi and Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: April 11, 2017

Chitrangi Power Private Limited
Balance Sheet as at March 31, 2017

Particulars	Note	Rupees in thousands		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	758,410	766,867	775,738
Intangible assets	4.2	-	-	387
Financial assets				
Other financial assets	4.3	57,187	57,173	57,181
Other non-current assets	4.4	12,174,191	12,177,749	12,401,087
Current assets				
Financial assets				
Cash and cash equivalents	4.5 (a)	196	242	440
Loans	4.5 (b)	-	-	10
Current tax assets (net)	4.6	25	22	338
Other current assets	4.7	-	-	20
Total Assets		12,990,009	13,002,053	13,235,181
EQUITY AND LIABILITIES				
Equity				
Equity share capital	4.8	100	100	100
Other equity				
Instruments entirely equity in nature	4.9	1,000	1,000	1,000
Reserves and surplus	4.10	80,503	101,449	8,644,359
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	4.11 (a)	-	-	4,281,387
Other financial liabilities	4.11 (b)	32,641	32,641	32,641
Provisions	4.12	-	-	784
Current liabilities				
Financial liabilities				
Borrowings	4.13 (a)	12,869,450	12,860,950	145,050
Other financial liabilities	4.13 (b)	6,315	5,913	229,758
Provisions	4.14	-	-	102
Total Equity and Liabilities		12,990,009	13,002,053	13,235,181
Significant accounting policies	2			
Notes on financial statements	1 to 18			

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

As per our report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership Number: 109859

Rachakonda Venkata
Director
DIN: 07014032

Ashwin Purohit
Director
DIN: 07062599

Place: Mumbai
Date: April 11, 2017

Place: Mumbai
Date: April 11, 2017

Chitrangi Power Private Limited
Statement of Profit and Loss for the Year ended March 31, 2017

Particulars	Note	Rupees In thousands	
		Year ended March 31, 2017	Year ended March 31, 2016
Other Income	4.15	13	13
Total Income		13	13
Expenses			
Employee benefits expense	4.16	-	3,804
Finance costs	4.17	8,026	8,429,329
Depreciation and amortization expense		8,457	9,258
Other expenses	4.18	4,476	530
Total expenses		20,959	8,442,921
Profit/ (Loss) before tax		(20,946)	(8,442,908)
Income tax expense			
Current tax		-	-
Income tax for earlier years		-	2
Profit/(Loss) for the year (A)		(20,946)	(8,442,910)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income for the year (B)		-	-
Total Comprehensive Income for the year (A+B)		(20,946)	(8,442,910)
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and diluted (Rupees)	10	(2,094.62)	(844,291.01)
Significant accounting policies	2		
Notes on financial statements	1 to 18		

The accompanying notes are an integral part of these financial statements

As per our report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

For and on behalf of the Board of Directors

Vijay Napawatiya
Partner
Membership Number: 109859

Rachakonda Venkata
Director
DIN: 'Q7014032

Ashwin Purohit
Director
DIN: 07062599

Place: Mumbai
Date: April 11, 2017

Place: Mumbai
Date: April 11, 2017

Chitrangi Power Private Limited
Cash Flow Statement for the year ended March 31, 2017

Particulars	Rupees in thousands	
	Year ended March 31, 2017	Year ended March 31, 2016
(A) Cash flow from / (used in) operating activities		
Net profit before taxation	(20,946)	(8,442,908)
Adjusted for :		
Depreciation and amortisation	8,457	9,258
Finance cost and other charges	8,026	8,429,329
Interest income	(13)	(13)
Operating profit / (loss) before working capital changes	(4,476)	(4,334)
Adjustments for :		
Increase/(Decrease) in current liabilities	402	(1,422)
Increase/(Decrease) in current assets	3,556	363
	3,958	(1,059)
Taxes (paid) / refund (net)		
Net Cash flow from / (used in) operating activities	(518)	(5,393)
(B) Cash flow from / (used in) investing activities		
Interest received	1	13
Taxes (paid) / refund (net)	(3)	(2)
Net cash from / (used in) investing activities	(2)	11
(C) Cash flow from / (used in) financing activities		
Inter corporate deposits received	8,500	15,900
Finance cost and other charges	(8,026)	(10,716)
Net cash generated from / (used in) financing activities	474	5,184
Net Increase / (Decrease) in cash and cash equivalents	(46)	(193)
Opening Balance of cash and cash equivalents		
- Balance in current account	242	440
Closing balance of cash and cash equivalents		
- Balance in current account	196	242

The accompanying notes are an Integral part of these financial statements

The Cash flow statements has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows"

As per our report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership Number: 109859

Rachakonda Venkata
Director
DIN: 07014032

Ashwin Purohit
Director
DIN: 07062599

Place: Mumbai
Date: April 11, 2017

Place: Mumbai
Date: April 11, 2017

Chitrangi Power Private Limited
Statement of Changes in Equity

A. Equity Share Capital

Particulars	Rupees in thousands Amount
Balance as at April 01, 2015	100
Changes in equity share capital	-
Balance as at March 31, 2016	100
Changes in equity share capital	-
Balance as at March 31, 2017	100

B. Other Equity

	Instrument entirely equity in nature			Reserves and Surplus			Rupees in thousands	
	Compulsory Convertible Redeemable Non-Cumulative Preference Shares (Refer note 4.9)	Total	Securities Premium Account	Retained Earnings	Total	Total	Total	
Balance as at April 01, 2015	1,000	1,000	999,000	7,545,359	8,544,359	8,545,359	8,545,359	
Profit for the year	-	-	-	(8,442,910)	(8,442,910)	(8,442,910)	(8,442,910)	
Other Comprehensive Income for the year	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	(8,442,910)	(8,442,910)	(8,442,910)	(8,442,910)	
Balance as at March 31, 2016	1,000	1,000	999,000	(897,551)	101,449	102,449	102,449	
Profit for the year	-	-	-	(20,946)	(20,946)	(20,946)	(20,946)	
Other Comprehensive Income for the year	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	(20,946)	(20,946)	(20,946)	(20,946)	
Balance as at March 31, 2017	1,000	1,000	999,000	(918,497)	80,503	81,503	81,503	

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

As per our report of even date.

For Charurvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: April 11, 2017

For and on behalf of the Board of Directors

Rachakonda Venkata
Director
DIN: 07014032

Ashwin Purohit
Director
DIN: 07062599

Place: Mumbai
Date: April 11, 2017

Chitrangi Power Private Limited

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

1) General Information

Chitrangi Power Private Limited, a wholly owned subsidiary of Reliance Power Limited, has been set up to develop a 3,960 MW (6X660 MW) super critical coal-fired thermal power project at Chitrangi Tehsil, District Singrauli in the State of Madhya Pradesh, based on the Memorandum of Understanding entered into between Reliance Power Limited (Holding Company) and the Government of Madhya Pradesh. 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 11, 2017.

2) Significant accounting policies, critical accounting estimate and Judgements:

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.

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 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:

- 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

Current vis-à-vis non-current classification

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. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Recent accounting pronouncements

Standards issued but not yet effective

Amendment to Ind AS 7:

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

(c) 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 adopt fair value of all of its property, plant and equipment (including Capital work in progress) recognised as at April 01, 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.

(d) 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".

Amortization 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 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(e) Impairment of non-financial assets

Assets which are subject to depreciation or amortization 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 impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) **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. 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.

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 profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from 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.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit and loss.

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:

- The Company has transferred the rights to receive cash flows from the financial asset or
- 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 group 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.

(g) 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.

(h) 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.

(i) 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.

Trade and other payable: These amounts represents 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 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.

(j) 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.

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

(k) 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.

(l) Foreign currency translation:

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

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 short term 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) 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.

(m) 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 group 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 INR 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 group 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 due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(n) Income tax

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 for each jurisdiction 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 in the countries where the Company operate and generate taxable income. 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 substantially enacted by the end of the reporting 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 and when the deferred tax balances relate to the same taxation authority. 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.

(o) 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 institution, other short term highly liquid investment with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value..

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) 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.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors of the Company that makes strategic decisions.

2.2 Critical accounting estimates and judgements

The preparation of 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) 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.

(b) 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 changes.

3) Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2016, with a transition date of April 01, 2015. These financial statements for the year ended March 31, 2017 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2017, together with the comparative information as at and for the year ended March 31, 2016. The Company's opening Ind AS Balance Sheet has been prepared as at April 01, 2015, the date of transition to Ind AS.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

(a) Ind AS optional exemptions

I. Deemed cost

Ind AS 101 permits a first-time adopter to measure all of its property, plant and equipment (PPE) (including Capital work in progress) as recognised in the financial statements as at the date of transition to Ind AS at fair value or previous GAAP carrying value and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets". Accordingly, the company has elected to measure all of its PPE (including Capital work in progress) at their fair values. The company has elected to use previous GAAP carrying value as deemed cost for Intangible Assets covered by Ind AS 38 "Intangible Assets".

(b) Ind AS mandatory exemptions

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances exist at the transition date.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The regrouped previous GAAP information is derived based on the audited financial statements of the Company for year ended March 31, 2016.

The following tables represent the reconciliations from previous GAAP to Ind AS.

Chitrangl Power Private Limited

Notes to the financial statements as of and for the year ended March 31, 2017 (continued)

B.1 Reconciliation of total equity as at March 31, 2016 and April 01, 2015

Particulars	Note	Rupees in thousands	
		March 31, 2016	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		979,098	1,003,395
Adjustments			
Fair valuation of convertible debentures and conversion into ICDs	C 1	-	8,418,613
Decapitalisation of pre-operative expenditures	C 2	(876,549)	(876,549)
Total adjustments		(876,549)	7,542,064
Total equity as per Ind AS		102,549	8,545,459

B.2 Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Note	Rupees in thousands
		March 31, 2016
Profit after tax as per previous GAAP		(24,297)
Adjustments:		
Interest and loss on redemption of preference shares	C 1	(8,418,613)
Total adjustments		(8,418,613)
Profit after tax as per Ind AS		(8,442,910)

B.3 Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

There is no material impact on the statements of cash flows on account of adoption of Ind AS.

C. Notes to first-time adoption:**C.1: Fair valuation of convertible debentures and conversion into ICDs**

As on transition date, the company has fair valued the 0 % Unsecured Compulsorily Convertible Debentures on initial recognition and accrued interest subsequently at market rate of interest. The said debentures are converted into Intercorporate deposits on March 30, 2016 and the company has recognized the loss on conversion of debentures.

C 2: Fair value of PPE as deemed cost and decapitalisation of pre-operative expenditure

The Company has realigned the expenditures capitalised to capital work in progress under Ind AS and has charged the expenditures to Statement of Profit and Loss. As a consequence, the Company has written off the Capital Work in Progress of Rs. 876,549 thousands as reported under previous GAAP.

C 3: Retained earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Chitrangl Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2017 (continued)

4.1 Property, Plant and Equipment

	Rupees in thousands							
	Freehold land	Leasehold land ¹	Plant & equipment	Furniture & fixtures	Motor Vehicles	Office equipment	Computers	Total
Gross carrying amount								
Deemed cost as at April 01, 2015	245,580	508,876	19,158	56	390	1,107	571	775,738
Additions during the year	-	-	-	-	-	-	-	-
Deductions during the year	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2016	245,580	508,876	19,158	56	390	1,107	571	775,738
Additions during the year	-	-	-	-	-	-	-	-
Deductions during the year	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2017	245,580	508,876	19,158	56	390	1,107	571	775,738
Accumulated depreciation								
Balance as at April 01, 2015	-	-	-	-	-	-	-	-
For the year	-	5,552	3,120	9	91	40	59	8,871
Deductions during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	-	5,552	3,120	9	91	40	59	8,871
For the year	-	5,552	2,568	10	91	79	59	8,457
Deductions during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	11,104	5,788	19	182	119	118	17,328
Net carrying amount								
Balance as at April 01, 2015	245,580	508,876	19,158	56	390	1,107	571	775,738
Balance as at March 31, 2016	245,580	503,324	16,038	47	299	1,067	512	766,867
Balance as at March 31, 2017	245,580	497,772	13,372	37	208	988	453	758,410

¹ Leasehold land has been capitalised on the basis of advance possession received from the Government of Madhya Pradesh on payment of all dues against the land. However, this is pending execution of lease deed in favour of the Company.

4.2 Intangible assets

Rupees In thousands

	Computer Software
Gross carrying amount	
Deemed cost as at April 01, 2015	387
Additions during the year	-
Deductions during the year	-
Balance as at March 31, 2016	387
Additions during the year	-
Deductions during the year	-
Balance as at March 31, 2017	387
Amortisation	Computer Software
Balance as at April 01, 2015	-
For the year	387
Deductions during the year	-
Balance as at March 31, 2016	387
For the year	-
Deductions during the year	-
Balance as at March 31, 2017	387
Net carrying amount	
Balance as at April 01, 2015	387
Balance as at March 31, 2016	-
Balance as at March 31, 2017	-

Chitrangl Power Private Limited

Notes to the financial statements as of and for the year ended March 31, 2017 (continued)

Rupees in thousands

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current financial assets			
4.3 Other non-current finance assets (Unsecured and considered good)			
Security deposits	29,915	29,915	29,915
Non-current bank balances (lien with Sales tax department)	160	146	134
Advance Recoverable In Cash or Kind	27,112	27,112	27,112
	57,187	57,173	57,161
4.4 Other non-current assets (Unsecured and considered good unless stated otherwise)			
Capital advances (refer note no. 9)	12,174,191	12,177,749	12,401,087
	12,174,191	12,177,749	12,401,087
Current financial assets			
4.5 (a) Cash and cash equivalents			
Balance with banks: in current account	196	242	440
	196	242	440
4.5 (b) Loans			
Loans / advances to employees	-	-	10
	-	-	10
4.6 Current tax assets (net)			
Current tax assets (Net of provision for taxes Rs. 5,222) (March 31, 2016: Rs. 5,222, April 1, 2015: Rs. 858,446)	25	22	338
	25	22	338
4.7 Other current assets (Unsecured and considered good unless stated otherwise)			
Prepaid expenses	-	-	20
	-	-	20

Chitrangi Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2017 (continued)

4.8 Equity Share Capital

Authorised Share Capital

24,000,000 (March 31, 2016: 24,000,000, April 01, 2015: 24,000,000) equity shares of Rs.10 each

	Rupees in thousands	
	As at March 31, 2017	As at March 31, 2016
	240,000	240,000
	240,000	240,000

	As at March 31, 2016	As at April 01, 2015
	240,000	240,000

Issued Capital

10,000 (March 31, 2016: 10,000, April 01, 2015: 3,725,770) equity shares of Rs.10 each

	100	100
	100	37,258

Subscribed and fully paid up Capital

10,000 (March 31, 2016: 10,000, April 01, 2015: 10,000) Equity Shares of Rs.10 each

	100	100
	100	100

4.8.1 Reconciliation of number of equity shares

Equity Shares

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	100

4.8.2 Terms/ rights attached to equity shares

a) Equity Shares

The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of the equity shares 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 remaining assets of the Company, after distribution of all preferential amounts.

4.8.3 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	100%	10,000	100%	10,000	100%
	10,000	100%	10,000	100%	10,000	100%

4.8.4 Shares held by Holding Company

Equity Shares

Reliance Power Limited - 10,000 (March 31, 2016: 10,000, April 01, 2015: 10,000) Equity Shares of Rs.10 each fully paid

(Out of the above, 1 shares (March 31, 2016: 1 shares, April 01, 2015: 1 shares) are jointly held by Reliance Power Limited and its nominees)

	Rupees in thousands	
	As at March 31, 2017	As at March 31, 2016
	100	100
	100	100

	As at March 31, 2016	As at April 01, 2015
	100	100

Chitragiri Power Private Limited
Notes to the financial statements for the year ended March 31, 2017 (continued)

	Rupees in thousands	
	As at March 31, 2017	As at March 31, 2016
Other equity		
4.8 Instruments entirely equity in nature		
4.9.1 Preference shares		
Authorised share capital		
10,000,000 (March 31, 2016: 10,000,000, April 01, 2015: 10,000,000) preference shares of Rs. 1 each	10,000	10,000
Issued capital		
10,000,000 (March 31, 2016: 10,000,000, April 01, 2015: 10,000,000) preference shares Rs. 1 each	10,000	10,000
Subscribed and fully paid up capital		
1,000,000 (March 31, 2016: 1,000,000, April 01, 2015: 1,000,000) preference shares Rs. 1 each	1,000	1,000

4.9.2 Reconciliation of number of preference shares

Preference shares [refer note no. 4.9.1]	
Balance at the beginning of the year - 1,000,000 (March 31, 2016: 1,000,000, April 01, 2015: 1,000,000) shares of Rs. 1 each	1,000
Balance at the end of the year - 1,000,000 (March 31, 2016: 1,000,000, April 01, 2015: 1,000,000) shares of Rs. 1 each	1,000

4.9.3 Terms/ rights attached to preference shares

7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)
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 (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 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.

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

	As at March 31, 2017		As at April 01, 2015	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Preference shares [refer note no. 4.9.3]				
Reliance Power Limited	1,000,000	100%	1,000,000	100%
	1,000,000	100%	1,000,000	100%

4.9.5 Preference shares held by Holding Company / Subsidiaries of Holding Company

	Rupees in thousands	
	As at March 31, 2017	As at April 01, 2015
Preference shares [refer note no. 4.9.3]		
Reliance Power Limited - 1,000,000 (March 31, 2016: 1,000,000, April 01, 2015: 1,000,000) preference shares Rs.1 each fully paid	1,000	1,000
	1,000	1,000

Chitrangl Power Private Limited

Notes to the financial statements as of and for the year ended March 31, 2017 (continued)

	As at March 31, 2017	As at March 31, 2016	Rupees in thousands As at April 01, 2015
4.10 Reserves and surplus			
Balance at the end of the year			
4.10.1 Securities premium account	999,000	999,000	999,000
4.10.2 Retained earnings	(918,497)	(897,551)	7,545,359
Total reserves and surplus	80,503	101,449	8,544,359
4.10.1 Securities premium account			
Balance at the beginning of the year	999,000	999,000	
Balance at the end of the year	999,000	999,000	
4.10.2 Retained earnings			
Balance at the beginning of the year	(897,551)	7,545,359	
Loss for the year	(20,946)	(8,442,910)	
Balance at the end of the year	(918,497)	(897,551)	
	80,503	101,449	
Nature and purpose of reserves:			
a) Securities premium account			
Securities premium account is created to record premium received on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.			
Non current financial liabilities			
4.11 (a) Non-current borrowings			
Unsecured - at amortised cost			
Nil (March 31, 2016: Nil, April 1, 2015: 12,700) 0 % Unsecured Compulsorily Convertible Debentures of Rs. 1,000,000 each (Refer note 17)	-	-	4,281,387
	-	-	4,281,387
4.11 (b) Other non-current financial liabilities			
Retention money payable	32,641	32,641	32,641
	32,641	32,641	32,641
4.12 Non-current provisions			
Provision for gratuity (Refer note 8)	-	-	248
Provision for leave encashment (Refer note 8)	-	-	536
	-	-	784
Current financial liabilities			
4.13 (a) Current borrowings			
Unsecured - at amortised cost			
Inter-corporate deposits (interest free and repayable on demand) (Refer note 17)	12,869,450	12,860,950	145,050
	12,869,450	12,860,950	145,050
4.13 (b) Other current financial liabilities			
Creditors for capital expenditure (Refer note 16)	4,890	4,480	227,748
Retention money payable	966	1,387	1,367
Others	651	46	823
	6,315	5,913	229,758
4.14 Current provisions			
Provision for gratuity (Refer note 8)	-	-	77
Provision for leave encashment (Refer note 8)	-	-	25
	-	-	102

Chitrangl Power Private Limited

Notes to the financial statements as of and for the year ended March 31, 2017 (continued)

	Rupees in thousands	
	Year ended March 31, 2017	Year ended March 31, 2016
4.15 Other Income		
Interest Income:		
Bank deposits	13	13
	<u>13</u>	<u>13</u>
4.16 Employee benefits expense		
Salaries, bonus and other allowances	-	3,592
Contribution to provident fund and other funds	-	202
Staff welfare expenses	-	10
	<u>-</u>	<u>3,804</u>
4.17 Finance cost		
Interest on convertible debentures	-	533,707
Loss on conversion of Zero % convertible debentures	-	7,884,906
Other finance charges	8,026	10,716
	<u>8,026</u>	<u>8,429,329</u>
4.18 Other expenses		
Legal and professional charges (including shared service charges)	1,446	278
Postage and telephone	-	1
Travelling and conveyance	-	150
Rates and taxes	3	3
Insurance	-	40
Site Expenses	1,793	-
Miscellaneous expenses	1,234	58
	<u>4,476</u>	<u>630</u>

5) Project Status:

The Company is setting up a 6x660 MW (3,960 MW) super critical coal-fired thermal power project at Chitrangi Tehsil in Singrauli District of Madhya Pradesh. It has already received all the major clearances and approvals required for the implementation of the project.

The Company is in possession of entire Government and private land required for the project and has commenced work of area grading, boundary wall construction and early enabling works at the project site. The Engineering, Procurements and Construction (EPC) contract has already been awarded on a turnkey basis and the Company has paid capital advances.

The Company would be using coal as the primary fuel which would be obtained from various foreign and domestic sources through linkage, e-auction and other supply arrangements.

6) Capital commitment

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 154,173,805 thousands (March 31, 2016 Rs.155,864,819 thousands; April 01, 2015 Rs.151,060,737 thousands).

7) Details of Remuneration to Auditors:

	Rupees in thousands	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) As auditors		
For statutory audit	150	150
For others	8	-
	158	150

8) 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.

Provision for leave encashment	Rupees in thousands		
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 01, 2015
Current*	-	-	25
Non-current	-	-	536

* 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 for the year:

	Rupees in thousands	
	Year ended March 31, 2017	Year ended March 31, 2016
(i) Contribution to provident fund	-	120
(ii) Contribution to employees' superannuation fund	-	50
(iii) Contribution to employees' deposit linked insurance scheme	-	2
(iv) Contribution to employees' pension scheme 1995	-	30

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 years of services or part thereof in excess of six months, based on the rate of basis 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, 2017	March 31, 2016	April 01, 2015
Discount rate (per annum)	-	-	7.85%
Rate of increase in compensation levels	-	-	7.50%
Rate of return on plan assets	-	-	-
Expected average remaining working lives of employees in number of years	-	-	9.69

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.

(ii) Gratuity Plan

Rupees in thousands

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2015	326	-	326
Current service cost	-	-	-
Interest cost	-	-	-
Total amount recognised in profit and loss	-	-	-
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-
Experience (gains) / losses	-	-	-
Total amount recognised in other comprehensive income	-	-	-
Liabilities assumed/(settled)	(256)	-	(256)
Benefit payments	(70)	-	(70)
March 31, 2016	-	-	-

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

Rupees in thousands

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Present value of unfunded obligations	-	-	325
Fair value of plan assets	-	-	-
Deficit of funded plan	-	-	325
Current	-	-	77
Non current	-	-	248

Chitrangi Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2017 (Continued)

9) Related party transactions:

A. Parties where control exists:

Holding Company:
Reliance Power Limited (R Power)

B. (I) Investing parties/promoters having significant influence on the Company directly or indirectly:

Companies
Reliance Infrastructure Limited (R Infra)

Individual
Shri Anil D. Ambani

B. (II) Other related parties with whom transactions have taken place during the year:

Fellow subsidiaries:
Reliance Cleangen Limited (RCGL)
Sasan Power Limited (SPL)

B. (III) Others:

Key Managerial Personal:
Directors
Shri Shrikant D Kulkarni
Shri Ashwin Purohit
Shri Sanjay Kumar (upto September 09, 2016)
Shri Rachakonda Ramana Venkata
Shri Sankaran Srinivasan
Shri Anand Budholla (w.e.f September 09, 2016)

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

Particulars	Rupees in thousands	
	March 31, 2017 Rupees	March 31, 2016 Rupees
Transactions during the year:		
Reimbursement of expenses		
R Power	8,031	10,986
SPL	422	816
R Infra	1,092	-
Inter- corporate deposits received		
R Power	8,500	15,900

Particulars	Rupees in thousands		
	March 31, 2017 Rupees	March 31, 2016 Rupees	April 1, 2015 Rupees
Closing balance			
Equity share capital (excluding premium)			
R Power	100	100	100
Preference share capital (excluding premium)			
R Power	1,000	1,000	1,000
Debentures			
R Power	-	-	4,281,387
Inter corporate deposits received			
R Power	12,869,450	12,860,950	145,050
Retention money payable			
R Infra	32,752	32,641	32,641

Chitrangi Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2017 (Continued)

Capital advance			
R Infra	12,173,079	12,174,061	12,397,369
Guarantees			
R Power	1,150,824	1,150,824	1,150,824

10) Earnings per share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit available to equity shareholders		
Profit after tax (A) (Rupees in thousands)	(20,946)	(8,442,910)
Number of equity shares		
Weighted average number of equity outstanding (B)	10,000	10,000
Basic and diluted earnings per share (A / B) (Rs.)	(2,094.62)	(844,291.01)
Nominal value of an equity share (Rs.)	10	10

7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares had an anti-dilutive effect on earnings per share and hence have not been considered for the purpose of computing dilutive earnings per share.

11) Income taxes

Rupees in thousands

The reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Particulars	March 31, 2017	March 31, 2016
Profit before tax	(20,946)	(8,442,908)
Tax at the Indian tax rate of 29.87% (2015-16: 30.90%)	(6,257)	(2,608,859)
Tax losses for which no deferred income tax was recognised	(6,257)	(7,508)
Other items for which no deferred income tax was recognized	-	(2,601,349)
Income tax for earlier years	-	(2)
Income tax expense	(6,257)	(2,608,859)

12) Fair value measurements

(a) Financial Instruments by category

The Company does not have any financial assets or liabilities which are measured at FVPL or FVOCI. Financial assets and liabilities which are measured at amortised cost are as follows:

Rupees in thousands

	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets			
Security deposits	29,915	29,915	29,915
Non-current bank balances	160	146	134
Advance Recoverable in Cash or Kind	27,112	27,112	27,112
Cash and cash equivalents	196	242	440
Loans / advances to employees	-	-	10
Total financial assets	57,383	57,415	57,611
Financial liabilities			
Borrowings	12,869,460	12,860,950	4,426,437
Retention money payable	33,606	34,028	34,028
Creditors for capital expenditure	4,699	4,480	227,748
Other payables	651	46	623
Total financial liabilities	12,908,406	12,899,504	4,688,836

(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 rollability 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 any financial assets and financial liabilities which are measured at fair value on each reporting date.

Rupees in thousands				
Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	29,915	-	29,915
Non-current bank balances		160		160
Total financial assets	-	30,075	-	30,075
Financial Liabilities				
Borrowings	-	-	-	-
Retention money payable	-	32,641	-	32,641
Total financial liabilities	-	32,641	-	32,641

Rupees in thousands				
Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	29,915	-	29,915
Non-current bank balances		146		146
Total financial assets	-	30,061	-	30,061
Financial Liabilities				
Borrowings	-	-	-	-
Retention money payable	-	32,641	-	32,641
Total financial liabilities	-	32,641	-	32,641

Rupees in thousands				
Assets and liabilities which are measured at amortised cost for which fair values are disclose as at April 01, 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	29,915	-	29,915
Non-current bank balances	-	134	-	134
Total financial assets	-	30,049	-	30,049
Financial Liabilities				
Borrowings	-	4,281,387	-	4,281,387
Retention money payable	-	32,641	-	32,641
Total financial liabilities	-	4,314,028	-	4,314,028

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

	March 31, 2017		March 31, 2016		Rupees in thousands April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security deposits	29,915	29,915	29,915	29,915	29,915	29,915
Non-current bank balances	160	160	146	146	134	134
Total financial assets	30,075	30,075	30,061	30,061	30,049	30,049
Financial Liabilities						
Borrowings	-	-	-	-	4,281,387	4,281,387
Retention money payable	32,641	32,641	32,641	32,641	32,641	32,641
Total financial liabilities	32,641	32,641	32,641	32,641	4,314,028	4,314,028

(d) 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, non-current bank balances, borrowings and retention money payable 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.

13) 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.

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 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 thousands				
March 31, 2017	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Borrowings	12,869,450	-	-	12,869,450
Retention money payable	965	32,641	-	33,606
Creditors for capital expenditure	4,699	-	-	4,699
Other payables	651	-	-	651
Total financial liabilities	12,875,765	32,641	-	12,908,406

Rupees in thousands				
March 31, 2016	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Borrowings	12,860,950	-	-	12,860,950
Retention money payable	1,387	32,641	-	34,028
Creditors for capital expenditure	4,480	-	-	4,480
Other payables	46	-	-	46
Total financial liabilities	12,866,863	32,641	-	12,899,504

Rupees in thousands				
April 01, 2015	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Borrowings	145,050	-	12,700,000	12,845,050
Retention money payable	1,387	32,641	-	34,028
Creditors for capital expenditure	227,748	-	-	227,748
Other payables	623	-	-	623
Total financial liabilities	374,808	32,641	12,700,000	13,107,449

14) 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 includes the fair value impact. Debt comprises of long term and short term borrowing. The following table summarizes the capital of the Group:

Rupees in thousands			
	March 31, 2017	March 31, 2016	April 01, 2015
Equity	81,803	102,549	8,545,459
Debt	12,869,450	12,860,950	4,426,437
Total	12,951,053	12,963,499	12,971,896

15) 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 and also all non-current assets are located in India. The Company does not have revenue from any type of product or service or any external customer.

16) 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.

17) Based on approval of the Board of Directors of the Company in their meeting held on March 30, 2016 the Company has converted 12,700 Compulsory Convertible Unsecured Debentures of Rs. 1,000,000 each into unsecured loan.

18) 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 08, 2016 to December 30, 2016.

As per our report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership Number: 109859

Rachakonda Venkata
Director
DIN: 07014032

Ashwin Purohit
Director
DIN: 07062599

Place: Mumbai
Date: April 11, 2017

Place: Mumbai
Date: April 11, 2017