

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF DHURSAR SOLAR POWER PRIVATE LIMITED**

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

1. We have audited the accompanying financial statements of Dhursar Solar 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), profit (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 under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act 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.

## INDEPENDENT AUDITORS' REPORT

To the Members of Dhursar Solar Power Private Limited  
Report on the Ind AS Financial Statements  
Page 2 of 3

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 profit (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 information 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 26, 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 these matters.

### 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.
  - (e) 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.

INDEPENDENT AUDITORS' REPORT

To the Members of Dhursar Solar Power Private Limited

Report on the Ind AS Financial Statements

Page 3 of 3

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 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 has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statement – Refer note 5.
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - 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 20.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

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

/ Priyanshu Gundana  
Partner  
Membership Number: 109553

Vijay Napawaliya  
Partner  
Membership Number: 109859

Place: Mumbai  
Date: April 12, 2017

Place: Mumbai  
Date: April 12, 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 Dhursar Solar Power Private Limited on the Ind AS financial statements for the year ended March 31, 2017.

Page 1 of 2

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Dhursar Solar 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note 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 Dhursar Solar Power Private Limited on the Ind AS financial statements for the year ended March 31, 2017.

Page 2 of 2

### 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 Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

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

Priyanshu Gundana  
Partner  
Membership Number: 109553

Vijay Napawaliya  
Partner  
Membership Number: 109859

Place: Mumbai  
Date: April 12, 2017

Place: Mumbai  
Date: April 12, 2017



**Annexure B to Independent Auditors' Report**

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
(c) The title deeds of immovable properties, as disclosed in fixed assets note 4.1 to the financial statements, are held in the name of the Company.
- ii. The Company does not have any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are 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, 74, 75 and 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 court or any other tribunal.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2017 for a period of more than six months from the date they become payable.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date.
- 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 have been applied for the purpose for which they were obtained, except for the unutilized proceeds of term loans, to the extent of Rs 750 lacs that were obtained for capital expenditure but held in fixed deposit account with bank at the year end.

**Annexure B to Independent Auditors' Report**

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

Page 2 of 2

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/provided for managerial remuneration. Therefore, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are 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 (AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

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

Priyanku Gundana  
Partner  
Membership Number: 109553

Vijay Napawaliya  
Partner  
Membership Number: 109859

Place: Mumbai  
Date: April 12, 2017

Place: Mumbai  
Date: April 12, 2017

Balance Sheet as at March 31, 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	Rupees in lakhs As at April 01, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4.1	50,918	58,910	63,071
Financial assets				
Investments	4.2(a)	4,511	4,511	4,511
Other financial assets	4.2(b)	484	300	810
Other non-current assets	4.3	-	36	688
<b>Current assets</b>				
Financial assets				
Investments	4.4(a)	-	-	4,746
Trade receivables	4.4(b)	6,965	2,116	1,995
Cash and cash equivalents	4.4(c)	3,440	5,014	882
Bank balances other than cash and cash equivalents	4.4(d)	750	773	-
Loans	4.4(e)	12,826	12,126	8,506
Other financial assets	4.4(f)	66	66	56
Current tax assets (net)	4.5	-	184	-
Other current assets	4.6	3	18	5
<b>Total Assets</b>		<b>79,963</b>	<b>84,054</b>	<b>85,270</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	4.7	90	90	90
Other equity	4.8			
Instrument entirely equity in nature		89	89	89
Reserves and surplus		32,300	31,415	30,933
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	4.9	42,513	47,521	48,460
Provisions	4.10	2	8	2
Other non-current liabilities	4.11	40	201	435
<b>Current liabilities</b>				
Financial liabilities				
Trade payables	4.12(a)	98	91	98
Other financial liabilities	4.12(b)	4,581	4,465	4,586
Other current liabilities	4.13	178	174	110
Provisions	4.14	6	@	@
Current tax Liabilities (net)	4.15	66	-	467
<b>Total Equity and liabilities</b>		<b>79,963</b>	<b>84,054</b>	<b>85,270</b>

@ Amount is below the rounding off norm adopted by the Company.

Significant accounting policies 2

Notes to financial statements 1 to 20

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




**Dhursar Solar Power Private Limited**

As per our Report of even date.


**For Price Waterhouse**  
Chartered Accountants  
Firm Registration No: 301112 E

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

 **Priyanshu Gundana**  
Partner  
Membership No. 109553

 **Mantu Kumar Ghosh**  
Director  
DIN Number 07644889

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No: 101720 W

 **Dinesh Navnitlal Modi**  
Director  
DIN Number: 00004556

**vijay napawaniya**  
Partner  
Membership No. 109859

Place : Mumbai  
Date : April 12, 2017

Place : Mumbai  
Date : April 12, 2017

Dhursar Solar Power Private Limited  
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No.	Rupees in lakhs	
		Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	4.16	12,150	11,945
Other Income	4.17	504	819
<b>Total Income</b>		<b>12,654</b>	<b>12,764</b>
<b>Expenses</b>			
Employee benefits expense	4.18	65	96
Finance costs	4.19	2,705	2,538
Depreciation expense	4.1	6,885	7,472
Other expenses	4.20	1,408	1,971
<b>Total expenses</b>		<b>11,064</b>	<b>12,077</b>
<b>Profit before tax</b>		<b>1,590</b>	<b>687</b>
<b>Income tax expense</b>			
Current tax	11	700	207
Deferred tax	11	-	-
<b>Profit for the year (A)</b>		<b>890</b>	<b>480</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	7	(5)	2
<b>Other Comprehensive Income for the year (B)</b>		<b>(5)</b>	<b>2</b>
<b>Total Comprehensive Income for the year (A+B)</b>		<b>885</b>	<b>482</b>
<b>Earnings per equity share: (Face value of Rs. 10 each)</b>			
Basic (Rupees)	10	98.46	53.12
Diluted (Rupees)	10	49.51	26.71

Significant accounting policies

2

Notes on financial statements

1 to 20

The accompanying notes are an integral part of these financial statements

Dhursar Solar Power Private Limited

As per our Report of even date.

For Price Waterhouse  
Chartered Accountants  
Firm Registration No: 301112 E

For and on behalf of the Board of Directors

Prayanshu Gundana  
Partner  
Membership No. 109553

Mantu Kumar Ghosh  
Director  
DIN Number 07644889

For Chaturvedi & Shah  
Chartered Accountants  
Firm Registration No: 101720 W

Dinesh Navnitlal Modi  
Director  
DIN Number: 00004556

Vijay Napawaliya  
Partner  
Membership No. 109859

Place : Mumbai  
Date : April 12, 2017

Place : Mumbai  
Date : April 12, 2017

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

	Year ended March 31, 2017 Rupees in lakhs	Year ended March 31, 2016 Rupees in lakhs
<b>(A) Cash Flow from/ (used in) operating activities</b>		
Profit before tax	1,590	687
Adjustments for:		
Depreciation expenses	6,885	7,472
Finance cost	2,705	2,538
Interest income	(498)	(203)
Dividend income on current investments (non trade)	-	(2)
Profit on sale of current investment (non trade)	-	(223)
Gain on Derivative	-	(390)
Excess Provision written back	-	(1)
Other non-operating income	(6)	-
<b>Operating profit before working capital changes</b>	<b>10,676</b>	<b>9,878</b>
Adjusted for:		
Increase/ (decrease) in trade payables	7	(7)
Increase/ (decrease) in other current financial liabilities	14	(208)
Increase/ (decrease) in other liabilities and provisions	(154)	(164)
(Increase)/ decrease in Trade receivables	(4,849)	(121)
(Increase)/ decrease in other current financial Assets	-	(10)
(Increase)/ decrease in loans and advances	14	(14)
	<b>5,708</b>	<b>9,354</b>
Taxes paid (net of refunds)	(450)	(859)
<b>Net cash from Operating Activities</b>	<b>5,258</b>	<b>8,495</b>
<b>(B) Cash Flow from/ (used in) investing activities</b>		
Purchase of Property, plant and equipment (including capital advance and retention money)	10	402
Proceed from sale of current investments (non trade)	-	4,969
Dividend income from current investments (non trade)	-	2
Interest received from deposits	521	233
Inter corporate deposit placed	(1,000)	(5,153)
Inter corporate deposit refunded	300	1,503
(Increase) in other bank balances	-	(773)
<b>Net cash flow from/ (used) in Investing Activities</b>	<b>(169)</b>	<b>1,183</b>
<b>(C) Cash Flow from/ (used in) financing activities</b>		
Repayment of long term borrowings	(4,243)	(4,224)
Interest and finance charges paid	(2,420)	(1,322)
<b>Net cash (used in) financing activities</b>	<b>(6,663)</b>	<b>(5,546)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,574)</b>	<b>4,132</b>
Cash and cash equivalents at the beginning of the year:		
Bank balance - current account*	73	14
Bank balance - fixed deposit account*	4,941	868
Cash and cash equivalents at the end of the year:		
Bank balance - current account*	176	73
Bank balance - fixed deposit account*	3,264	4,941

\* including interest on Fixed deposits classified as cash and cash equivalents.  
The accompanying notes are an integral part of these financial statements.

Dhursar Solar Power Private Limited

As per our Report of even date.

For Price Waterhouse  
Chartered Accountants  
Firm Registration No: 301112 E

For and on behalf of the Board of Directors

Priyanshu Gundana  
Partner  
Membership No. 109553

Mant Kumar Ghosh  
Director  
DIN Number 07644889

For Chaturvedi & Shah  
Chartered Accountants  
Firm Registration No: 101720 W

Dinesh Navnitlal Modi  
Director  
DIN Number: 00004556

Vijay Napawaliya  
Partner  
Membership No. 109859

Place : Mumbai  
Date : April 12, 2017

Place : Mumbai  
Date : April 12, 2017

**Dhursar Solar Power Private Limited**  
**Statement of changes in equity for the year ended March 31, 2017**

**A. Equity Share Capital (refer note 4.7)**

	Rupees in lakhs
Balance as at 1 April 2015	90
Changes in equity share capital	-
Balance as at 31 March 2016	90
Changes in equity share capital	-
Balance as at 31 March 2017	90

**B. Other Equity**

	Note no.	Other reserves	Instrument entirely equity in nature	Reserves and surplus		Total
				Securities Premium Account	Retained Earnings	
		Capital Reserve (Arisen pursuant to scheme of amalgamation) (refer note 4.8.4(a))	Preference Shares Capital (refer note 4.8.1(a))			
Balance as at 1 April 2015	4.8	4,912	89	17,701	8,320	31,023
Profit for the year		-	-	-	480	480
Remeasurements of post-employment benefit obligation (net)	7	-	-	-	2	2
Total Comprehensive Income for the year		-	-	-	482	482
Balance as at 31 March 2016	4.8	4,912	89	17,701	8,802	31,505
Profit for the year		-	-	-	890	890
Remeasurements of post-employment benefit obligation (net)	7	-	-	-	(5)	(5)
Total Comprehensive Income for the year		-	-	-	885	885
Balance as at 31 March 2017	4.8	4,912	89	17,701	9,686	32,389



Dhursar Solar Power Private Limited

As per our Report of even date.

For Price Waterhouse  
Chartered Accountants  
Firm Registration No: 301112 E

For and on behalf of the Board of Directors

Priyanshu Gundana  
Partner  
Membership No. 109553

Mantu Kumar Ghosh  
Director  
DIN Number 07644889

For Chaturvedi & Shah  
Chartered Accountants  
Firm Registration No: 101720 W

Dinesh Navnitlal Modi  
Director  
DIN Number: 00004556

Vijay Napawaliya  
Partner  
Membership No. 109859

Place : Mumbai  
Date : April 12, 2017

Place : Mumbai  
Date : April 12, 2017

1) General information

Dhursar Solar Power Private Limited is a wholly owned subsidiary of Reliance Power Limited. The Company had developed and is operating a 40 MW Solar Photo-Voltaic Power Plant at Dhursar, District Jaisalmer, Rajasthan. The Company has entered into long term Power Purchase Agreement (PPA) with Reliance Infrastructure Limited (R-Infra) for its entire capacity. The Company has declared commercial operation from March 28, 2012.

The Company's name was changed to Dhursar Solar Power Private Limited from Dahanu Solar Power Private Limited with effect from September 2, 2013.

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

These financial statements were authorised for issue by the board of directors on April 12, 2017.

2) Significant accounting policies:

2.1 Basis of preparation, measurement and significant accounting policies

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

(a) Basis of preparation

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.

Functional and presentation currency

The financial statements are presented in 'Indian Rupees', which is also the Group's functional currency. All amounts are rounded to the nearest lakhs, unless otherwise stated.

Historical cost convention

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

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

Fair value measurement

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

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

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

**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.

**(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 cost net of recoverable taxes, duties, trade discount and rebate less accumulated depreciation and impairment loss if any. 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.

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

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 recognised as at April 1, 2015 as deemed cost.

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

Depreciation is provided to the extent of depreciable amount on Written Down Method (WDV) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in respect of Plant and equipment where useful life has been estimated as 25 years based on Internal assessment and technical evaluation by management.

Particulars	Useful life
Buildings	3 to 30 years
Lease hold land	30 years
property, plant and equipment	3 to 25 years
Furniture and fixtures	10 years
Motor Vehicles	3 to 8 years
Office equipments	3 to 5 years
Computers	3 to 6 years

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

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.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier.

**(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".

**Amortisation method and periods**

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

Computer and software are amortised over the estimated useful life of three years

**(e) Impairment of non-financial assets**

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

**(f) Trade Receivable**

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

**(g) 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 has selected to account for investment in equity instrument of the fellow subsidiaries at cost in its financial statement

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 fair value through other comprehensive income (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 (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. 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.

**Equity Investments:** The company subsequently measures all equity investments (including investment in subsidiaries) at cost.

iii. **Impairment of financial assets**

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. **Derecognition of financial assets**

A financial asset is derecognised only when:

- the rights to receive cash flows from the asset have expired, or
- the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

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

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



v. Income recognition

Interest income

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

Dividend

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

vi. Derivative Financial Instruments:

Derivative are initially recognised at fair value on the date of derivative contract is entered into and are subsequently re-measure to their fair value at the end of the each reporting period. Further gain / (losses) arising on settlement and fair value change on derivative contracts are classified to finance cost.

(h) 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.

(i) 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..

(j) 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 trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

iii. Subsequent measurement

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

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

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



**Trade and other 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.

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

(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) **Borrowing costs**

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

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

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

(m) 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 the Company's presentation currency

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

All exchange differences arising on reporting foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Group has availed the option available in the Ind AS-101 to continue the policy adopted in Previous GAAP for accounting of exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein:

- Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.

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

(n) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, returns, value added taxes and amounts collected on behalf of third parties.

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

i. Sale of energy

Revenue from sale of energy is recognised on an accrual basis as per the tariff rate notified by Central Electricity Regulatory Commission (CERC) in accordance with the provisions of Power purchase agreement (PPA) with Reliance Infrastructure Limited (R- Infra).

ii. Other operating income

Revenue from certified reduction units is recognised as per terms and conditions agreed with trustee on future sale of certified emission reduction units..

(o) Employee benefits:

Short-term obligations

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

Other long-term employee benefit obligations

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

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

#### Post employee obligations

The Company operates the following post-employment schemes:

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

#### Gratuity obligations

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

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

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

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

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

#### Defined contribution plans

##### Provident fund

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

##### Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Life Insurance Company Limited.

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

**(q) Cash and cash equivalents**

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

**(r) 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

**(s) 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.

**(t) 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 Project Director of Company that makes strategic decisions.

**(u) Dividends:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(v) Business combinations**

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- (iii) Adjustments are only made to harmonise accounting policies.
- (iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (v) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (vi) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- (vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

## 2.2 Critical accounting estimates and judgments

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and 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) Useful lives of Power Plant and Depreciation method

Management of the Company decided the estimated useful lives of power plant and respective depreciation. The accounting estimate is based on the expected wears and tears incurred during power generation. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, Plant and Equipments (refer note 4.1).

### (b) Income taxes and Deferred tax

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

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period (refer note 11).

### (c) Impairment of assets

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

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

### (d) Fair value measurement and valuation process

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

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances (refer note 12 and 13).

3) Transition to 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 available

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 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. Accordingly, the company has elected to measure all of its property, plant and equipment (PPE) at their fair values.

ii. Long term foreign currency monetary items

Ind AS 101 permits a first time adopter to continue the accounting policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the year ending March 31, 2016. The company has opted to follow this exemption.

iii. Investments in fellow subsidiaries

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost or in accordance with Ind AS 109. Ind AS 101 provides an option to measures such an investment as on transition date as follows:

- a) cost determined in accordance with Ind AS 27; or
- b) deemed cost.

The deemed cost of such an investment shall be its:

- (i) fair value as at the date of transition to Ind AS in its separate financial statements; or
- (ii) previous GAAP carrying amount at that date.

The Company has elected to account for the investment in associates and joint ventures at cost in its financial statements.



**(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.

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

Particulars	Note	Rupees in lakhs	
		March 31, 2016	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		20,027	19,262
<b>Adjustments</b>			
Fair valuation of PPE as deemed cost	C 1	7,680	8,800
Amortization of borrowing cost	C 2	1,930	2,223
Changes in fair value of derivative contracts	C 3	1,958	826
Change in fair value in current investments	C 4	-	1
<b>Total adjustments</b>		<b>11,568</b>	<b>11,850</b>
<b>Total equity as per Ind AS</b>		<b>31,594</b>	<b>31,112</b>

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

Particulars	Note	Rupees in lakhs	
		March 31, 2016	
Profit after tax as per previous GAAP		764	
<b>Adjustments:</b>			
Depreciation on Increased in fair valuation of property, plant and equipment	C 1	(1,120)	
Amortization of borrowing cost	C 2	(293)	
Changes in fair value of derivative contracts	C 3	1,132	
Change in fair value of Investment in current investments	C 4	(1)	
Actuarial gains on post-employment benefit obligation recognised in other comprehensive income	C 5	(2)	
<b>Total adjustments</b>		<b>(284)</b>	
<b>Profit after tax as per Ind AS (A)</b>		<b>480</b>	
<b>Other Comprehensive Income</b>			
Remeasurements of net defined benefit plans	C 5	2	
<b>Other Comprehensive Income for the year (B)</b>		<b>2</b>	
<b>Total Comprehensive Income for the year (A+B)</b>		<b>482</b>	

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

B.3 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016			Rupees in lakhs
Particulars	As per Previous	Effect of	
	GAAP*	transition to	As per Ind AS
		Ind AS	
Net cash flow from operating activities	8,495	-	8,495
Net cash flow from investing activities	1,183	-	1,183
Net cash flow from financing activities	(5,546)	-	(5,546)
Net increase/(decrease) in cash and cash equivalents	4,132	-	4,132
Cash and cash equivalents as at April 01, 2015	882	-	882
Cash and cash equivalents as at March 31, 2016	5,014	-	5,014

**B.4 Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS**

Particulars	Rupees in lakhs	
	March 31, 2016	April 01, 2015
Cash and cash equivalents as per previous GAAP	5,014	882
<b>Cash and cash equivalents for the purpose of statement of cash flows</b>	<b>5,014</b>	<b>882</b>

**C: Notes to first-time adoption:**

**C.1: Deemed cost - Property, Plant and equipment**

Under the previous GAAP, property, plant and equipment, being were carried at cost. Under Ind AS, the company has elected to carry such property, plant and equipment at fair value as deemed cost. Accordingly, the company has recognized fair value changes of Rs.8,800 lakhs in plant and equipment as on April 01, 2015.

During the FY 2015-16, The Company has also charged the depreciation of Rs. 1,120 lakhs

**C 2: Borrowings at amortised cost**

Under the previous GAAP, borrowing transaction costs (such as loan processing fees etc.) were amortised either on straight line basis over the term of borrowing or upfront capitalised to fixed assets as part of pre-operative expenditure. Under Ind AS, borrowings are initially recognised on net off transaction costs. Transaction costs are deferred and recognised over the life of the loan as an adjustment of interest expense and amortised using the effective interest rate (EIR) method.

Consequent to above, the total equity as at March 31, 2016 is increased by Rs.1,930 lakhs (April 01, 2015 - Rs. 2,223 lakhs) and profit for the year ended March 31, 2016 is decreased by Rs. 293 lakhs.

**C 3: Fair valuation of Derivative contract**

Under INDAS, all the derivative instruments are fair valued with recognition of both gains and losses in Statement of Profit and Loss as against under Previous GAAP only losses on derivative contracts are recognised on marking them to market (as per the announcement by institute of Chartered Accountant of India).

Consequent to above, the total equity as at 31 March 2016 increased by Rs. 1,958 lakhs (1 April 2015 Rs 826 lakhs) and profit for the year ended March 31, 2016 is increased by Rs. 1,132 lakhs.

**C 4: Fair valuation of current Investments**

Under the previous GAAP, Investment in mutual fund were classified as current investment and were carried at lower of cost and fair value. IND AS require mutual fund investment to be measured at fair value through profit and loss (FVTP).

Consequent to above, the total equity as at 31 March 2016 increased by Rs. Nil (1 April 2015 Rs (1 lakh)) and profit for the year ended March 31, 2016 is decreased by Rs. 1 lakh.

**C 5: Remeasurements of post-employment benefit obligations**

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these Remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by 2 lakhs. There is no impact on the total equity as at March 31, 2016.

**C 6: Retained earnings**

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

**C 7: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes Remeasurements of defined benefit plans and fair valuation of investments in subsidiaries.

**Mursar Solar 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<sup>2</sup>**

	Freehold land	Leasehold land	Plant and equipment	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Computers	Rupees in lakhs Total
<b>Gross carrying amount</b>									
Fair value as deemed cost as at April 01, 2015	21	21	62,288	735	1	4	@	1	63,071
Additions during the year	-	-	74	-	-	-	-	-	74
Adjustments (1)	-	-	3,237	-	-	-	-	-	3,237
<b>Carrying amount as at March 31, 2016</b>	<b>21</b>	<b>21</b>	<b>65,599</b>	<b>735</b>	<b>1</b>	<b>4</b>	<b>@</b>	<b>1</b>	<b>66,382</b>
Additions during the year	-	-	2	25	-	-	-	-	27
Adjustments (1)	-	-	(1,134)	-	-	-	-	-	(1,134)
<b>Carrying amount as at March 31, 2017</b>	<b>21</b>	<b>21</b>	<b>64,467</b>	<b>760</b>	<b>1</b>	<b>4</b>	<b>@</b>	<b>1</b>	<b>65,275</b>
<b>Accumulated depreciation</b>									
Balance as at April 01, 2015	-	-	-	-	-	-	-	-	-
For the year	-	1	7,329	140	@	1	@	1	7,472
<b>Balance as at March 31, 2016</b>	<b>-</b>	<b>1</b>	<b>7,329</b>	<b>140</b>	<b>@</b>	<b>1</b>	<b>@</b>	<b>1</b>	<b>7,472</b>
For the year	-	1	6,797	86	@	1	@	@	6,885
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>2</b>	<b>14,126</b>	<b>226</b>	<b>@</b>	<b>2</b>	<b>@</b>	<b>1</b>	<b>14,357</b>
<b>Net Block</b>									
As at April 01, 2015	21	21	62,288	735	1	4	@	1	63,071
As at March 31, 2016	21	20	58,270	595	1	3	@	@	58,910
As at March 31, 2017	21	19	50,341	534	1	2	@	@	50,918

**Notes:**

- 1) Represents exchange differences capitalised (refer note 16)  
2) Out of above Property, Plant and Equipment of Rs. 50,918 lakhs (March 31, 2016: Rs. 58,910 lakhs; April 01, 2015: Rs. 63,071 lakhs) has been pledged as security (Refer note 8)  
@ Amount is below the rounding off norm adopted by the Company.

Particulars	Rupees in lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Non-current financial assets</b>			
<b>4.2(a) Non-current investments (Non-trade)</b>			
In fellow subsidiaries (Unquoted, fully paid up valued at cost)			
Preference shares* (Instrument entirely equity in nature)			
Tato Hydro Power Private Limited 5,00,000 shares (March 31, 2016: 500,000; April 1, 2015: 500,000 shares) face value of Re. 1 each.	4,233	4,233	4,233
Siyom Hydro Power Private Limited - 68,000 shares (March 31, 2016: 68,000; April 1, 2015: 68,000 shares) face value of Re. 1 each.	680	680	680
Less: Provision for diminution in the value of Investment in Siyom Hydro Power Private Limited	(402)	(402)	(402)
	<b>4,511</b>	<b>4,511</b>	<b>4,511</b>
Aggregate book value of Unquoted Non Current Investments	4,511	4,511	4,511
The above preference shares have been acquired pursuant to the scheme of amalgamation and arrangement. Refer Note 4.3.2			
<b>* 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b>			
As per terms and conditions of the investment made in preference shares of the issuer companies shall have a call option on the CCRPS which can be exercised by them 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, the CCRPS shall be redeemed at an issue price (i.e. face value and premium). The Company, however, shall have an option to convert the CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer Companies or the share holders thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each preference share shall be converted into equity shares of corresponding value (including the premium applicable thereon). In case the issuer companies declare dividend on their equity shares, the CCRPS will also be entitled to the equity dividend in addition to the coupon rate of dividend.			
<b>4.2(b) Other non-current finance assets</b> (Unsecured and considered good)			
Security deposits	1	1	1
Derivative assets (Mark to Market) on derivative instruments (Net)	483	299	309
	<b>484</b>	<b>300</b>	<b>310</b>
<b>4.3 Other non-current assets</b> (Unsecured and considered good)			
Capital advances (refer note 9)	-	36	688
	<b>-</b>	<b>36</b>	<b>688</b>
<b>Current Financial Assets</b>			
<b>4.4(a) Current investments (Non-trade)</b>			
Unquoted - Mutual fund units	-	-	2,899
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option (Number of units Nil (March 31, 2016: Nil; April 1, 2015: 84,995.18) face value of Rs. 1,000 each)	-	-	-
Unquoted - Mutual fund units	-	-	1,847
Reliance liquidity fund - Direct Plan Daily Dividend Reinvestment Option (Number of units Nil (March 31, 2016: Nil; April 1, 2015: 184,626.92) face value of Rs. 1,000 each)	-	-	-
	<b>-</b>	<b>-</b>	<b>4,746</b>
Aggregate amount of unquoted investments	-	-	4,746

Particulars	Rupees in lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>4.4(b) Trade receivables</b> (Unsecured and considered good)			
Receivables from related party (refer note 9) (Including Rs. 1,108 lakhs (March 31, 2016: Rs. 1,141 lakhs; April 1, 2015: Rs. 1,084 lakhs) billed subsequently to March 31)	6,965	2,116	1,995
	<u>6,965</u>	<u>2,116</u>	<u>1,995</u>
<b>4.4(c) Cash and cash equivalents</b>			
Balance with banks:			
in current account	176	73	14
in deposit account with original maturity of less than three months	3,264	4,941	868
	<u>3,440</u>	<u>5,014</u>	<u>882</u>
<b>4.4(d) Bank balances other than cash and cash equivalents</b> Deposits with original maturity of more than three months but less than twelve months	750	773	-
	<u>750</u>	<u>773</u>	<u>-</u>
<b>4.4(e) Current Loans</b> (Unsecured and considered good)			
Inter corporate deposits to holding company (refer note 9) (Interest free deposit for a period upto one year)	12,826	12,126	8,506
Advances to employees	@	-	@
	<u>12,826</u>	<u>12,126</u>	<u>8,506</u>
<b>4.4(f) Other current financial assets</b> (Unsecured and considered good)			
Security deposits	55	55	55
Advance recoverable in cash or in kind	11	11	1
	<u>66</u>	<u>66</u>	<u>56</u>
<b>4.5 Current tax assets (net)</b>			
Current tax assets (net of provision for tax: Rs. Nil (March 31, 2016: Rs. 863 lakhs; April 01, 2015: Rs. Nil))	-	184	-
	<u>-</u>	<u>184</u>	<u>-</u>
<b>4.6 Other current assets</b> (Unsecured and considered good)			
Balance with statutory authorities (includes service tax credit and VAT recoverable)	@	@	@
Prepaid expenses	3	18	5
	<u>3</u>	<u>18</u>	<u>5</u>

#### 4.7.1 Reconciliation of number of shares

#### 4.7.2 Rights, preference and restriction attached to equity shares

## Equity shares

#### 4.7.3 Shares held by Holding Company

## Equity shares

Reliance Power Limited - Holding Company

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

## Equity shares

Equity shares of Rs. 10 each fully paid up held by Reliance Power Limited - Holding Company

Percentage of holding in the class

Number of shares:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>4.8 Other equity</b>			
<b>Balance at the end of the year</b>			
<b>4.8.1 Instrument entirely equity in nature</b>	89	89	89
<b>Total</b>	<b>89</b>	<b>89</b>	<b>89</b>
<b>Reserves and surplus</b>			
<b>4.8.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited)</b>	4,912	4,912	4,912
<b>4.8.3 Securities premium account</b>	17,701	17,701	17,701
<b>4.8.4 Retained earnings</b>	9,687	8,802	8,320
<b>Total</b>	<b>32,300</b>	<b>31,415</b>	<b>30,933</b>
<b>4.8.1 Instrument entirely equity in nature</b>			
<b>Preference Shares</b>			
<b>Authorised</b>			
1,000,000 (March 31, 2016: 1,000,000; April 1, 2015: 1,000,000) preference shares of Rs. 10 each	100	100	100
	<b>100</b>	<b>100</b>	<b>100</b>
<b>Issued, subscribed and paid up capital</b>			
894,000 (March 31, 2016: 894,000; April 1, 2015: 894,000) preference shares of Rs. 10 each fully paid-up	89	89	89
	<b>89</b>	<b>89</b>	<b>89</b>
<b>Reconciliation of number of shares</b>			
<b>Preference shares [refer note no. 4.8.1 (a)]</b>			
Balance at the beginning of the year	9	9	
894,000 (March 31, 2016: 894,000; April 1, 2015: 894,000) shares of Rs. 10 each fully paid-up			
Balance at the end of the year - 894,000 (March 31, 2016: 894,000; April 01, 2015: 894,000) shares of Rs. 10 each	<b>9</b>	<b>9</b>	
<b>4.8.1(a) Terms/ rights attached to preference shares</b>			
<b>7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b>			
The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (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.			
<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>			
<b>Preference shares [refer note no. 4.8.1(a)]</b>			
Preference Shares of Rs. 10 each fully paid up held by Reliance Power Limited - Holding company			
Percentage of holding in the class	100%	100%	100%
Number of shares	894,000	894,000	894,000
		<b>Rupees in lakhs</b>	
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	
<b>Movement of Instruments entirely equity in nature</b>			
Balance at the beginning of the year	9	9	
894,000 (March 31, 2016: 894,000; April 1, 2015: 894,000) shares of Rs. 10 each fully paid-up			
Balance at the end of the year - 894,000 (March 31, 2016: 894,000; April 01, 2015: 894,000) shares of Rs. 10 each	<b>9</b>	<b>9</b>	
<b>4.8.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited) (refer note 4.8.4(a) below)</b>	<b>4,912</b>	<b>4,912</b>	
<b>4.8.3 Securities premium account</b>			
Balance at the beginning of the year	17,701	17,701	
Balance at the end of the year	<b>17,701</b>	<b>17,701</b>	
<b>4.8.4 Retained earnings</b>			
Balance at the beginning of the year	8,802	8,320	
Profit for the year	890	480	
Add: Remeasurements of post-employment benefit obligation (net) (Refer note 7)	(5)	2	
Balance at the end of the year	<b>9,687</b>	<b>8,802</b>	

#### 4.8.4 Nature and purpose of other reserves:

a) Capital reserve (arisen pursuant to scheme of amalgamation with erstwhile Maharashtra Energy Generation Infrastructure Limited)  
The Capital Reserve of Rs. 4,912 Lakhs (49) had arisen pursuant to the scheme of amalgamation with Erstwhile Maharashtra Energy Generation Infrastructure Limited (MEGIL), sanctioned by the Hon'ble High Court of Bombay vide order dated April 12, 2013. The scheme was effective from January 1, 2013.

#### b) Securities premium account

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



Particulars	Rupees in lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>4.9 Non-current borrowings</b>			
<b>Secured - at amortised cost - Term loans</b>			
Foreign currency loans from financial institutions/ other parties	42,513	47,521	48,460
	<u>42,513</u>	<u>47,521</u>	<u>48,460</u>

**4.9.1 Nature of security for Term Loans:**

- Term loans from financial institutions/ other parties of Rs. 48,338 lakhs (March 31, 2016 Rs. 53,715 lakhs April 1, 2015 Rs. 54,707 lakhs) is secured to be secured by first charge on all the immovable and movable assets and intangible asset of the Company on pari passu basis and pledge of 99.99% of the total issued share capital of the Company held by the Holding Company.
- The Holding Company has given financial commitments/ guarantees to the lender of the Company. [refer note 9(c)(ii)].
- Current maturities of long term borrowings have been classified as other current liabilities (refer note 4.12(b)).

**4.9.2 Terms of Repayment and Interest**

- The foreign currency loan from financial institutions/ other parties is repayable over a period of sixteen and half years in half-yearly installments commencing from September 25, 2012 and interest is payable based on Commercial Interest Reference Rate which is 2.97% per annum. The outstanding balance as on year end is Rs. 29,354 lakhs (March 31, 2016 Rs. 32,604 lakhs April 1, 2015 Rs. 33,193 lakhs).
- The foreign currency loan from financial institutions/ other parties is repayable over a period of sixteen and half years in half-yearly installments commencing from September 25, 2012 and interest at the rate of 6 months USD LIBOR plus 2.5% per annum. The outstanding balance as on year end is Rs. 18,984 lakhs (March 31, 2016 Rs. 21,111 lakhs, April 01, 2015 Rs. 21,513 lakhs).

**4.9.3 The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 1,658 lakhs (March 31, 2016 Rs. 1,931 lakhs, April 01, 2015 Rs. 2,224 lakhs).**

Particulars	Rupees in lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>4.10 Non-current provisions</b>			
Provision for gratuity (refer note 7)	1	1	2
Provision for leave encashment (refer note 7)	1	7	@
	<u>2</u>	<u>8</u>	<u>2</u>
<b>4.11 Other non-current liabilities</b>			
Advance for contracted certified emission reduction	40	201	435
	<u>40</u>	<u>201</u>	<u>435</u>
<b>4.12(a) Trade payables</b>			
Total Outstanding dues of micro enterprises and small enterprises (refer note 17)	-	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises (refer note 17)	98	91	98
	<u>98</u>	<u>91</u>	<u>98</u>
<b>4.12(b) Other current financial liabilities</b>			
Current maturities of long-term borrowings (refer note 4.9)	4,107	4,283	4,022
Interest accrued but not due on borrowings	29	35	31
Creditors for capital expenditure	-	-	44
Retention money payable	3	2	132
Creditors for supplies and services	91	83	337
Derivative Liabilities (Mark to Market) on derivative instruments (Net)	238	35	16
Others	53	67	4
	<u>4,581</u>	<u>4,465</u>	<u>4,566</u>
<b>4.13 Other current liabilities</b>			
Advance for contracted certified emission reduction	166	166	100
Other payables* *(Including provident fund, tax deducted at source and other miscellaneous payables)	12	8	10
	<u>178</u>	<u>174</u>	<u>110</u>
<b>4.14 Current provisions</b>			
Provision for gratuity (refer note 7)	5	@	@
Provision for leave encashment (refer note 7)	@	@	@
	<u>6</u>	<u>@</u>	<u>@</u>
<b>4.15 Current tax provision</b>			
Provision for income tax (net of advance tax Rs. 1,497 lakhs (March 31, 2016 Rs. Nil; April 01, 2015 Rs. 189 lakhs))	66	-	487
	<u>66</u>	<u>-</u>	<u>487</u>

Dhursar Solar Power Private Limited

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

Particulars	Rupees in lakhs	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>4.16 Revenue from operations</b>		
Sale of energy (refer note 9)	11,820	11,777
<b>Other Operating Income</b>		
Interest from customer on delayed payments (refer note 9)	189	-
Carbon credit emission	161	163
	<b>12,150</b>	<b>11,945</b>
<b>4.17 Other income</b>		
<b>Interest income:</b>		
Bank deposits	498	203
<b>Dividend income:</b>		
On current investment in mutual funds	-	2
<b>Net gain on sale / accrual of income on investments:</b>		
Current investment in mutual funds	-	223
Net gain on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	-	390
Provision written back	-	1
Other non-operating income	6	-
	<b>504</b>	<b>819</b>
<b>4.18 Employee benefits expense</b>		
Salaries, bonus and other allowances	60	84
Contribution to provident fund and other funds	3	3
Gratuity and leave encashment	2	9
	<b>65</b>	<b>96</b>
<b>4.19 Finance costs</b>		
<b>Interest and finance charges on Financial liabilities measured at amortised cost:</b>		
On Foreign currency loans	1,977	2,007
Net loss on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	725	529
Other finance charges	3	2
	<b>2,705</b>	<b>2,538</b>

Dhursar Solar Power Private Limited

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

Particulars	Rupees in lakhs	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>4.20 Other expenses</b>		
Stores and spares consumed	57	-
Rent expenses	4	4
Transmission charges	624	562
Operation and maintenance service charges	233	226
Other operating expenditures	268	928
Repairs and maintenance		
- Plant and equipment	11	14
- Building	1	-
Legal and professional charges (including shared service charges)	140	146
Rates and taxes	13	8
Insurance	43	70
Miscellaneous expenses	14	13
	<b>1,408</b>	<b>1,971</b>

## 5) Contingent liabilities and commitments

- (a) Demand of Rs. 1,812 lakhs (March 31, 2016 Rs. 1,111 lakhs, April 01, 2015 Rs. Nil) has been raised towards the provisional Unscheduled Interchanges (UI) charges from the financial year 2012-13 to financial year 2016-17 by Jodhpur Vidyut Vitran Nigam Ltd. (JdVVNL), which has been disputed by the Company.

Future cash flows in respect of the above matters can only be determined based on the future outcome of various uncertain factors.

- (b) Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. Nil (March 31, 2016 Rs. Nil; April 01, 2015 Rs. 1,400 lakhs).

## 6) Details of remuneration to auditors:

	Rupees in lakhs	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) As auditors		
For statutory audit	21	20
For others	1	@
(b) Out-of-pocket expenses	@	@

@ Amount is below the rounding off norm adopted by the Company.

## 7) Employee benefit obligations

The Company has classified various employee benefits as under:

## a) Leave obligations

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

Provision for leave encashment	Rupees in lakhs		
	March 31, 2017	March 31, 2016	March 31, 2015
Current*	@	@	@
Non-current	1	7	@

@ Amount is below the rounding off norm adopted by the Company

\* 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 the following amounts in the Statement of Profit and Loss for the year:

	Rupees in lakhs	
	Year ended March 31, 2017	Year ended March 31, 2016
(i) Contribution to provident fund	2	2
(ii) Contribution to employees' superannuation fund	1	1
(iii) Contribution to employees' pension scheme 1995	@	@
(iv) Contribution to employees' deposit linked insurance scheme	@	@

@ Amount is below the rounding off norm adopted by the Company

c) Post employment obligation

**Gratuity**

The Company has a defined benefit plan in India, governed by the payment of gratuity act, 1972. The plan entitle an employees, 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)	7.05%	7.80%	7.85%
Rate of increase in compensation levels	7.50%	7.50%	7.50%
Expected average remaining working lives of employees in number of years	10.22	10.09	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) Balance sheet amount (Gratuity Plan)

Rupees in lakhs			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2015	2	-	2
Current service cost	1	-	1
Interest cost	@	-	@
Total amount recognised in profit and loss	1	-	1
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	(2)	-	(2)
Total amount recognised in other comprehensive income	(2)	-	(2)
Employer contributions	-	-	-
Benefit payments	-	-	-
March 31, 2016	1	-	1

Rupees in lakhs			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2016	1	-	1
Current service cost	@	-	@
Interest cost	@	-	@
Total amount recognised in profit and loss	1	-	1
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	5	-	5
Total amount recognised in other comprehensive income	5	-	5
Employer contributions	-	-	-
Benefit payments	-	-	-
March 31, 2017	7	-	7

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

Particulars	Rupees in lakhs		
	March 31, 2017	March 31, 2016	April 01, 2015
Present value of funded obligations	-	-	-
Fair value of plan assets	-	-	-
Deficit of gratuity plan	-	-	-
Unfunded plans	7	1	2
Deficit of gratuity plan	7	1	2

(iii) Sensitivity analysis:

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

Particulars	Change in assumptions		Increase in assumptions		decrease in assumptions	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate	0.50%	0.50%	-7.77%	-8.03%	8.65%	8.95%
Rate of increase in compensation levels	0.50%	0.50%	8.57%	8.94%	-7.78%	-8.09%

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

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

(iv) Defined benefit liability and employer contributions:

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

The weighted average duration of the defined benefit obligation is 16.39 years (2016 – 16.94 years, 2015- 10.80 years).

(v) The Company has seconded certain employees to the subsidiaries. As per the terms of the secondment, liability towards Salaries, Provident fund and leave encashment will be provided and paid by the respective subsidiaries and gratuity will be paid / provided by the Company. Accordingly, provision for gratuity as disclosed includes cost of employees seconded as well.

8) Assets pledged as security

Particulars	Rupees in lakhs		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Non-current</b>			
<b>Financial assets</b>			
First charge			
Investments	4,511	4,511	4,511
Other financial assets	484	300	810
<b>Non-financial assets</b>			
First charge			
Property, plant and equipment	50,918	58,910	63,071
Other non-current assets	-	36	688
<b>Total Non-current assets pledged as security</b>	<b>55,913</b>	<b>63,757</b>	<b>69,080</b>
<b>Current</b>			
<b>Financial assets</b>			
First charge			
Investments	-	-	4,747
Trade receivables	6,965	2,116	1,995
Cash and bank balances	4,190	5,787	882
Loans	12,826	12,126	8,506
Other financial assets	66	66	56
<b>Non-financial assets</b>			
Inventories			
Current tax assets	-	184	-
Other current assets	3	18	6
<b>Total non-current assets pledged as security</b>	<b>24,050</b>	<b>20,297</b>	<b>16,192</b>
<b>Total assets pledged as security</b>	<b>79,963</b>	<b>84,054</b>	<b>85,272</b>



9) Related party transactions:

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

A. Parties where control exists:

Holding Company  
Reliance Power Limited (RPower)

Fellow subsidiaries:

Rajasthan Sun Technique Energy Private Limited (RSTL)  
Tato Hydro Power Private Limited (THPPL)  
Siyom Hydro Power Private Limited (SHPPL)  
Rosa Power Supply Company Limited (RPSL)  
Sasan Power Limited (SPL)  
Vidrarbha Industries Power Limited (VIPL)  
Samalkot Power Limited (SMPL)

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

Individual  
Shri Anil D Ambani

Companies  
Reliance Infrastructure Limited (R Infra)

C Details of transactions during the year and closing balance at the end of the year:			
		Rupees in lakhs	
		March 31, 2017	March 31, 2016
(i) Transactions during the year:			
Sales			
- R Infra (Sale of Energy)		11,820	11,777
Interest income on delayed payment			
- R Infra		169	-
Reimbursement of expenses and advances incurred by			
- R power		9	4
- SPL		@	1
- VIPL		-	2
- SMPL		-	@
- RPSL		@	-
Reimbursement of expenses and advances paid for			
- VIPL		-	1
Refund of Capital Advance			
- R Infra		36	600
Legal and Professional charges paid towards shared services			
- R power		58	57
Inter corporate deposit Given to			
- R power		1,000	5,153
Refund of Inter corporate deposit given by			
- R power		300	1,503

		March 31, 2017	March 31, 2016	Rupees in lakhs April 01, 2015
(ii) Closing Balance :				
Equity share capital (excluding premium)				
- R Power		90	90	90
Preference share capital (excluding premium)				
- R Power		89	89	89
Capital Advance				
- R Infra		-	36	688
Trade receivables				
- R Infra		6,965	2,116	1,995
Non-current Investment (refer note 4.2(a))				
THPPL		4,233	4,233	4,233
SHPPL		278	278	278
Inter corporate deposit receivable				
- R Power		12,826	12,126	8,506

- (iii) The Holding Company has entered into agreements with the lenders of the Company wherein it has committed to extend financial support in the form of equity or debt as per the agreed means of finance, in respect of the project being undertaken, including hedging support, investment support and project cost overrun support..
- (iv) The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.

The Company has entered into a memorandum of understanding for sharing of certain assets between the Company and RSTEPL.

10) Earnings per share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Profit available to equity shareholders</b>		
Net profit after tax (A) (Rupees in lakhs)	890	480
Weighted average number of equity shares (B)	904,000	904,000
<b>Basic earnings per share (A/B) (Rupees)</b>	98.46	53.12
Weighted average number of potential equity shares on account of conversion of preference shares (C)	894,000	894,000
Weighted average number of shares for Diluted EPS(D=B+C)	1,798,000	1,798,000
<b>Diluted earnings per share (A/D) (Rupees)</b>	49.51	26.71
Nominal value of an equity share (Rupees)	10.00	10.00

## 11) Income taxes

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are as under:

(a) Income tax recognised in statement of profit and loss		Rupees in lakhs
Particulars	March 31, 2017	March 31, 2016
Income tax expense		
Current year tax	700	207
Total	700	207

(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate :		Rupees in lakhs
Particulars	March 31, 2017	March 31, 2016
Profit before tax (A)	1,590	687
Tax at the Indian tax rate of 34.608%	550	238
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact on disallowed expenses (net)	624	344
MAT credit entitlement not recognised	700	207
Tax effect of Sec 80IA of Income Tax Act	(1,174)	(582)
Income tax expense	700	207

(c) Tax liabilities/ (Assets):		Rupees in lakhs
Particulars	March 31, 2017	March 31, 2016
Provision for income tax (advance tax) – Opening balances	(184)	467
Taxes paid (net of refund)	(450)	(860)
Current tax payable for the year	700	207
Provision for income tax (advance tax) – Closing balances	66	(184)

Note:

The Company is availing tax holiday under Section 80- IA of Income Tax Act, 1961. Deferred tax asset for timing difference on account of depreciation, originating as on the Balance Sheet date is reversing during the tax holiday period. Hence, there is no deferred tax asset/ liability to be recognised in the financial statement on account of timing difference.

## 12) Fair value measurements

## (a) Financial instruments by category

Rupees in lakhs

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>						
Investments						
Mutual funds	-	-	-	-	4,746	-
Security Deposit	-	56	-	56	-	56
Derivative assets	483	-	299	-	808	-
Trade receivables	-	6,965	-	2,116	-	1,995
Cash and cash equivalents	-	3,440	-	5,014	-	882
Bank deposits with more than 12 months maturity	-	750	-	773	-	-
Inter corporate deposits	-	12,826	-	12,126	-	8,506
Other financial assets	-	@	-	-	-	20,227
Advance recoverable in cash or in kind	-	11	-	11	-	1
<b>Total financial assets</b>	<b>483</b>	<b>24,048</b>	<b>299</b>	<b>20,096</b>	<b>5,554</b>	<b>11,437</b>
<b>Financial liabilities</b>						
Borrowings	-	46,708	-	51,819	-	52,514
Trade payables	-	98	-	91	-	98
Creditors for capital expenditure	-	-	-	-	-	44
Retention money payable	-	3	-	2	-	132
Creditors for supplies and services	-	91	-	63	-	337
Other financial liabilities	-	53	-	67	-	4
Derivatives Liabilities	238	-	35	-	16	-
<b>Total financial liabilities</b>	<b>238</b>	<b>46,953</b>	<b>35</b>	<b>52,042</b>	<b>16</b>	<b>53,129</b>

@ Amount is below the rounding off norm adopted by the Company.

## (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017	Rupees in lakhs				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Derivatives	4.2(b)	-	483	-	483
<b>Total financial assets</b>		-	483	-	483
<b>Financial liabilities</b>					
Derivatives	4.12(b)	-	238	-	238
<b>Total financial liabilities</b>		-	238	-	238

	Rupees in lakhs				
Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	4.2(b)	-	-	1	1
<b>Total financial assets</b>		-	-	1	1
<b>Financial Liabilities</b>					
Borrowings	4.9	-	46,101	-	46,101
<b>Total financial liabilities</b>		-	46,101	-	46,101

	Rupees in lakhs				
Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2016	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Derivatives	4.2(b)	-	299	-	299
<b>Total financial assets</b>		-	299	-	299
<b>Financial liabilities</b>					
Derivatives	4.12(b)	-	35	-	35
<b>Total financial liabilities</b>		-	35	-	35

	Rupees in lakhs				
Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2016	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposit	4.2(b)	-	-	1	1
<b>Total financial assets</b>		-	-	1	1
<b>Financial Liabilities</b>					
Borrowings	4.9	-	52,230	-	52,230
<b>Total financial liabilities</b>		-	52,230	-	52,230

	Rupees in lakhs				
Financial assets and liabilities measured at fair value - recurring fair value measurements as at April 01, 2015	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Derivatives	4.2(b)	-	809	-	809
Mutual Fund		-	4,747	-	4,747
<b>Total financial assets</b>		-	5,556	-	5,556
<b>Financial liabilities</b>					
Derivatives	4.12(b)	-	16	-	16
<b>Total financial liabilities</b>	-	-	16	-	16

	Rupees in lakhs				
Assets and liabilities which are measured at amortised cost for which fair values are disclose as at April 01, 2015	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposit	4.2(b)	-	-	@	@
<b>Total financial assets</b>		-	-	@	@
<b>Financial Liabilities</b>					
Borrowings		-	52,588	-	52,588
<b>Total financial liabilities</b>		-	52,588	-	52,588



**(c) Valuation processes**

The Company obtains assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Company and the valuer on periodically basis.

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

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

Specific valuation techniques used to value financial instruments include:

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

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

	Rupees in lakhs					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair Value
<b>Financial Assets</b>						
Security deposits	1	1	1	1	1	1
<b>Total financial assets</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Financial Liabilities</b>						
Borrowings*	46,708	46,101	51,819	52,230	52,514	52,588
<b>Total financial liabilities</b>	<b>46,708</b>	<b>46,101</b>	<b>51,819</b>	<b>52,230</b>	<b>52,514</b>	<b>52,588</b>

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

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

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

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

**Note**

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

There were no transfers between any levels during the year.

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

## 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, trade receivables, financial assets measured at amortised cost.	Aging analysis	only high rated banks/institutions are accepted
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Sensitivity analysis	Partly hedge by foreign exchange forward, cross currency and call spread contract
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Partly hedge by Interest rate swap

## (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, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade customers towards sale of electricity as per the term of PPA and CERC.

## Credit risk management

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

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

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

## (b) Liquidity risk

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

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

## (ii) 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 lakhs			
March 31, 2017	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Non-derivatives Financial liabilities</b>				
Borrowings*	5,772	21,677	30,811	58,260
Trade payables	98	-	-	98
Retention money payable	3	-	-	3
Creditors for supplies and services	91	-	-	91
Other financial liabilities	53	-	-	53
<b>Total Non-derivatives Financial liabilities</b>	<b>6,017</b>	<b>21,677</b>	<b>30,811</b>	<b>58,505</b>
<b>Derivatives Financial liabilities</b>				
Forward exchange contracts use for hedging				
Inflow	(2,536)	-	-	(2,536)
Outflow	2,783	-	-	2,783
<b>Total Derivatives Financial liabilities</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>247</b>

	Rupees in lakhs			
March 31, 2016	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Non-derivatives Financial liabilities</b>				
Borrowings*	5,945	22,404	36,576	64,925
Trade payables	91	-	-	91
Retention money payable	2	-	-	2
Creditors for supplies and services	63	-	-	63
Other financial liabilities	67	-	-	67
<b>Total Non-derivatives Financial liabilities</b>	<b>6,168</b>	<b>22,404</b>	<b>36,576</b>	<b>65,148</b>
<b>Derivatives Financial liabilities</b>				
Forward exchange contracts use for hedging				
Inflow	(3,951)	-	-	(3,951)
Outflow	3,988	-	-	3,988
<b>Total Derivatives Financial liabilities</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>37</b>

	Rupees in lakhs			
April 01, 2015	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Non-derivatives Financial liabilities</b>				
Borrowings*	5,628	21,303	39,289	66,220
Trade payables	98	-	-	98
Creditors for capital expenditure	44	-	-	44
Retention money payable	132	-	-	132
Creditors for supplies and services	337	-	-	337
Other financial liabilities	4	-	-	4
<b>Total Non-derivatives Financial liabilities</b>	<b>6,243</b>	<b>21,303</b>	<b>39,289</b>	<b>66,835</b>
<b>Derivatives Financial liabilities</b>				
Forward exchange contracts use for hedging				
Inflow	(810)	-	-	(810)
Outflow	826	-	-	826
<b>Total Derivatives Financial liabilities</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>16</b>

includes contractual interest payments based on the interest rate prevailing at the reporting date



## (c) Market risk

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

## (i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company has long term monetary liabilities which are in currency other than its functional currency. Foreign currency risk, as defined in Ind AS 107, arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

- Foreign currency risk exposure:

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

	Rupees in lakhs		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Financial liabilities</b>			
Borrowings	48,366	53,749	54,738
<b>Gross foreign currency exposure</b>	<b>48,366</b>	<b>53,749</b>	<b>54,738</b>
Covered by Derivative			
Forward contracts	5,252	9,154	782
Call spread	16,417	16,795	12,180
Cross Currency Swap	-	-	6,316
<b>Covered by derivatives</b>	<b>21,669</b>	<b>25,949</b>	<b>19,278</b>
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>26,697</b>	<b>27,800</b>	<b>35,460</b>

- Sensitivity of foreign currency exposure

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Rupees in lakhs	
	Impact on profit before tax / Property, plant and equipment	
	March 31, 2017	March 31, 2016
<b>USD sensitivity</b>		
FX rate – increase by 6% on closing rate on reporting date*	(2,398)	(2,740)
FX rate– decrease by 6% on closing rate on reporting date *	2,256	2,747
* Holding all other variables constant		

## (ii) Interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. During March 31, 2016 and March 31, 2015 the company's borrowings at variable rate were mainly denominated in USD.

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

- Interest rate risk exposure

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

	Rupees in lakhs		
	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings	18,720	20,800	21,152

- Sensitivity of Interest

Profit or loss is sensitive to higher/ (lower) interest expense from borrowings as a result of changes in interest rates.

	Rupees in lakhs	
	Impact on profit before tax	
	March 31, 2017	March 31, 2016
<b>Interest sensitivity</b>		
Interest cost – increase by 5% on existing Interest cost*	(40)	(34)
Interest cost – decrease by 5% on existing Interest cost*	40	34
* Holding all other variables constant		

#### 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 includes long term borrowing and current maturity. The following table summarizes the capital of the Company:

	Rupees in lakhs		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity (excluding other reserves)	27,567	26,682	26,200
Debt	46,680	51,784	52,482
<b>Total</b>	<b>74,247</b>	<b>78,466</b>	<b>78,682</b>

(b) The Company is generally regular in payment of its debt service obligation and the Company has not received any communication from lenders for non-compliance of any debt covenant.

#### 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.

##### Information about major customers

Revenue for the year ended March 31, 2017 and March 31, 2016 were from customers located in India. Customers include private distribution entities. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2017 and March 31, 2016 were as follows:

Customer Name	For the year ended			
	March 31, 2017		March 31, 2016	
	Revenue in Lakhs	Percent	Revenue in Lakhs	Percent
R infra	11,820	100%	11,777	100%

#### 16) Exchange Difference on Long Term Monetary Items

In accordance with Para D13AA of Ind AS 101 "First time adoption of Indian Accounting Standards" and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. The Company has adjusted the value of Plant and equipment by Gain of Rs. 1,134 lakhs (31, March 2016 Rs. 3,237 lakhs (loss), for 1, April 2015 Rs. 2,150 lakhs (loss)) towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

## 17) 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.

## 18) The information for Self-generated Certified Emission Reductions (CERs) relating to certified emission rights are as follows:-

Sr. No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
a)	No. of CERs held as inventory and the basis of valuation	-	-
b)	No. of CERs under certification	64,701	64,144
c)	Depreciation and operating and maintenance costs of Emission Reduction equipment expensed during the year	-	-

## 19) Offsetting of financial assets and financial liabilities

The following table presents the derivative financial instruments that are offset as at March 31, 2017, March 31, 2016 and April 01, 2015 where as per the terms of the agreement the net position owing / receivable to a single counterparty in the same currency has been offsetted and presented at net amount in the balance sheet.

Particulars	Rupees in lakhs		
	Gross amounts	Gross amount set-off in balance sheet	Net balance presented in balance sheet
<b>As at March 31, 2017</b>			
<b>Financial Liabilities</b>			
Derivative Liabilities	(522)	284	(238)
<b>Total Financial Liabilities</b>	<b>(522)</b>	<b>284</b>	<b>(238)</b>
<b>Financial Assets</b>			
Derivative Assets	767	(284)	483
<b>Total Financial Assets</b>	<b>767</b>	<b>(284)</b>	<b>483</b>
<b>As at March 31, 2016</b>			
<b>Financial Liabilities</b>			
Derivative Liabilities	(84)	49	(35)
<b>Total Financial Liabilities</b>	<b>(84)</b>	<b>49</b>	<b>(35)</b>
<b>Financial Assets</b>			
Derivative Assets	348	(49)	299
<b>Total Financial Assets</b>	<b>348</b>	<b>(49)</b>	<b>299</b>
<b>As at April 01, 2015</b>			
<b>Financial Liabilities</b>			
Derivative Liabilities	(88)	72	(16)
<b>Total Financial Liabilities</b>	<b>(88)</b>	<b>72</b>	<b>(16)</b>
<b>Financial Assets</b>			
Derivative Assets	881	(72)	809
<b>Total Financial Assets</b>	<b>881</b>	<b>(72)</b>	<b>809</b>

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



**Dhursar Solar Power Private Limited**

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

As per our attached report of even date

**For Price Waterhouse**  
Chartered Accountants  
Firm Registration Number: 301112E

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

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

**Vijay Napawaliya**  
Partner  
Membership No. 109859

Place: Mumbai  
Date: April 12, 2017

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

**Mantu Kumar Ghosh**  
Director  
DIN Number: 07644889

**Dinesh Navnitlal Modi**  
Director  
DIN Number: 00004556

Place: Mumbai  
Date: April 12, 2017