

Dhursar Solar Power Private Limited
Unaudited Balance Sheet as at March 31, 2019

Particulars	Note No.	Rupees in lakhs	
		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	42,430	45,099
Financial assets			
Investments	3.2(a)	278	4,511
Loans	3.2(b)	1	1
Finance lease receivables			
Other financial assets	3.2(c)	680	277
Deferred tax assets (net)	3.3	-	89
Other non-current assets	3.4	2,034	3,592
Current assets			
Inventories	3.5	106	12
Financial assets			
Trade receivables	3.6(a)	7,866	7,726
Cash and cash equivalents	3.6(b)	119	3,293
Bank balances other than cash and cash equivalents	3.6(c)	4,123	750
Loans	3.6(d)	14,499	11,742
Current tax assets (net)	3.7	300	-
Other current assets	3.8	4,235	2
Total Assets		76,671	77,094
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.9	90	90
Other equity	3.10		
Instrument entirely equity in nature		89	89
Reserves and surplus		30,981	33,240
Non-controlling interests			
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	3.11	-	38,726
Trade payables			
Provisions	3.12	16	19
Current liabilities			
Financial liabilities			
Trade payables	3.13(a)	237	203
Other financial liabilities	3.13(b)	45,244	4,531
Other current liabilities	3.14	6	47
Provisions	3.15	8	3
Current tax liabilities (net)	3.16	-	146
Total Equity and liabilities		76,671	77,094

Significant accounting policies
Notes to financial statements

2
1 to 23

For DHURSAR SOLAR POWER PRIVATE LIMITED

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

Director

Date: 27 MAY 2019
Place: Mumbai

Dhursar Solar Power Private Limited
Unaudited Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	Rupees in lakhs	
		Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	3.17	10,229	11,364
Other Income	3.18	690	218
Total Income		10,919	11,582
Expenses			
Employee benefits expense	3.19	113	99
Finance costs	3.20	2,047	2,610
Depreciation expense	3.1	5,593	5,976
Other expenses	3.21	5,337	1,385
Total expenses		13,090	10,070
Profit before tax		(2,171)	1,512
Income tax expense			
Current tax	10	-	660
Deferred tax	10	89	(89)
Total Tax Expenses		89	571
Profit for the year (A)		(2,260)	941
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	6	1	(1)
Other Comprehensive Income for the year (B)		1	(1)
Total Comprehensive Income for the year (A+B)		(2,259)	940
Earnings per equity share: (Face value of Rs. 10 each)			
Basic	9	-250.00	104.09
Diluted	9	-125.70	52.34
Significant accounting policies	2		
Notes on financial statements	1 to 23		

The accompanying notes are an integral part of these financial statements

For DHURSAR SOLAR POWER PRIVATE LIMITED

Director

Date: 27 MAY 2019

Place: Mumbai

Dhursar Solar Power Private Limited
Unaudited Cash Flow Statement for the year ended March 31, 2019

Particulars	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
(A) Cash Flow from/ (used in) operating activities		
Profit before tax	(2,171)	1,812
Adjustments for:		
Depreciation expenses	5,593	5,976
Finance cost	1,631	2,610
Interest income	(274)	(216)
Operating profit before working capital changes	4,779	9,880
Adjusted for:		
Increase/ (decrease) in trade payables	34	105
Increase/ (decrease) in other current financial liabilities	365	84
Increase/ (decrease) in other liabilities and provisions	(38)	(159)
Increase/ (decrease) in trade receivables	(144)	(761)
Increase/ (decrease) in loans and advances	(4,233)	12
Increase/ (decrease) in inventories	(94)	(12)
Increase/ (decrease) in other non current assets (excluding capital advances)	1,558	(1,558)
	2,217	7,691
Taxes paid (net of refunds)	(447)	(580)
Net cash from Operating Activities	1,770	7,011
(B) Cash Flow from/ (used in) investing activities		
Purchase of Fixed assets (including capital advances)	-	(2,044)
Sale / (Purchase) of long term investment	4,233	-
Interest received from deposits	(3,099)	218
Inter corporate deposits placed	-	1
Inter corporate deposits refunded	(2,753)	1,139
Net cash flow used in Investing Activities	(1,619)	(686)
(C) Cash Flow from/ (used in) financing activities		
Repayment of long term borrowings	(2,335)	(4,174)
Interest and finance charges paid	(990)	(2,298)
Net cash used in financing Activities	(3,325)	(6,472)
Net decrease in cash and cash equivalents (A+B+C)	(3,174)	(147)
Cash and cash equivalents at the beginning of the year:		
Bank balance - current account *	203	176
Bank balance - fixed deposit account *	3,090	3,264
Cash and cash equivalents at the end of the year:		
Bank balance - current account *	119	203
Bank balance - fixed deposit account *	-	3,090

*including interest of Fixed deposits classified as cash and cash equivalents

The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

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

For DHURSAR SOLAR POWER PRIVATE LIMITED

Director

Date: 27 MAY 2019
Place: Mumbai

Dhursar Solar Power Private Limited
Unaudited Statement of changes in equity for the year ended March 31, 2019

A. Equity Share Capital (refer note 3.9)

	Rupees in lakhs
Balance as at March 31, 2017	90
Changes in equity share capital	-
Balance as at March 31, 2018	90
Changes in equity share capital	-
Balance as at March 31, 2019	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 no 3.10.4(a))	Preference Shares Capital (refer no 3.10.1)			
Balance as at March 31, 2017	3.10	4,912	89	17,701	9,687	32,389
Profit/(loss) for the year		-	-	-	941	941
Other Comprehensive Income for the year		-	-	-	(1)	(1)
Total Comprehensive Income for the year		-	-	-	940	940
Balance as at March 31, 2018	3.10	4,912	89	17,701	10,627	33,329
Profit/(loss) for the year		-	-	-	(2,259)	(2,259)
Other Comprehensive Income for the year		-	-	-	1	1
Total Comprehensive Income for the year		-	-	-	(2,259)	(2,259)
Balance as at March 31, 2019	3.10	4,912	89	17,701	8,368	31,070

For DHURSAR SOLAR POWER PRIVATE LIMITED

Director

Date: 27 MAY 2019
Place: Mumbai

1) General information

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

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.

2) Significant accounting policies:

2.1 Basis of preparation, measurement and significant accounting policies

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

(a) Basis of preparation

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made there under.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

Functional and presentation currency

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

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 live
Buildings	3 to 30 years
Lease hold land	Over the lease period
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.

(c) 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 live of three years.

(d) 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.

(e) 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.

(f) Financial instruments:

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

Investments and other financial assets

i. Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company 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.

(g) Offsetting Financial instruments

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

(h) Contributed equity

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

(i) Financial liabilities

i. Classification as debt or equity

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

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

ii. Initial recognition and measurement

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

The Company's financial liabilities include 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 other payables are subsequently measured at amortised cost using the effective interest method.

iv. Derecognition

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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

(j) 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.

(k) 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.

(l) Foreign currency translation:

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), 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 Company 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.

(m) 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 Energy purchase agreement (EPA) 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 sale of certified emission reduction units.

(n) 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. Re-measurements 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.

(o) 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. 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 substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

(p) 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 amount of cash and which are subject to insignificant risk of change in value.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) Inventories:

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

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 3.1).

(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 10).

(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).

3.1 Property, Plant and Equipment ⁽²⁾

	Freehold land	Leasehold Land	Plant and equipment	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Computers	Rupees In lakhs Total
Carrying amount as at March 31, 2017	21	21	54,467	760	1	4	@	1	65,275
Additions during the year	-	-	10	-	-	-	-	-	10
Adjustments ⁽¹⁾	-	-	147	-	-	-	-	-	147
Carrying amount as at March 31, 2018	21	21	64,624	760	1	4	@	1	65,432
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments ⁽¹⁾	-	-	2,924	-	-	-	-	-	2,924
Carrying amount as at March 31, 2019	21	21	67,548	760	1	4	@	1	68,356
Accumulated depreciation									
Balance as at March 31, 2017	-	2	14,126	226	@	2	@	1	14,357
For the year	-	1	5,924	50	@	1	-	@	5,976
Balance as at March 31, 2018	-	3	20,050	276	@	3	@	1	20,333
For the year	-	1	5,547	45	@	@	-	@	5,593
Balance as at March 31, 2019	-	4	25,597	321	@	3	@	1	25,926
Net Block									
As at March 31, 2018	21	18	44,574	484	1	1	@	@	45,099
As at March 31, 2019	21	17	41,951	439	1	1	@	@	42,430

Notes:

1) Represents exchange differences capitalised (refer note 15)

2) Out of above Property, Plant and Equipment of Rs. 42,430 lakhs (March 31, 2018: Rs. 45,099 lakhs) has been pledged as security (Refer note 7)

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

Dhruv Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
3.2(a) Non-current Financial Assets		
in fellow subsidiaries		
(Unquoted, fully paid up valued at cost)		
Preference shares ¹ (instrument entirely equity in nature)		
Tato Hydro Power Private Limited 0 shares (March 31, 2018: 500,000 shares) face value of Re. 1 each	-	4,233
Siyom Hydro Power Private Limited - 68,000 shares (March 31, 2018: 68,000 shares) face value of Re. 1 each	680	680
Less: Provision for diminution in the value of Investment in Siyom Hydro Power Private Limited	(402)	(402)
	278	4,611
Aggregate book value of Unquoted Non Current Investments	278	4,611
The above preference shares have been acquired pursuant to the scheme of amalgamation and arrangement. Refer Note 3.10.2		
¹ 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
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		
3.2(b) Security deposits	1	1
3.2(c) Other non-current finance assets		
(Unsecured and considered good)		
Derivative assets (Mark to Market) on derivative instruments (Net)	680	277
	680	277
3.3 Deferred tax assets (net)		
Deferred tax assets (Refer note 10)	-	89
	-	89
3.4 Other non-current assets		
(Unsecured and considered good)		
Advance recoverable in cash or in kind (Refer note 8)	2,034	3,592
	2,034	3,592
Current Financial Assets		
3.5 Inventories		
Stores and spares	106	12
	106	12
3.6(a) Trade receivables		
(Unsecured and considered good)		
Receivables from related party (refer note 8)	7,866	7,726
(Including Rs. 1,116 lakhs (March 31, 2018: Rs. 1,139 lakhs) billed subsequently to March 31, 2019)		
	7,866	7,726
3.6(b) Cash and cash equivalents		
Balance with banks:		
in current account	119	203
in deposit account with original maturity of less than three months	-	3,090
	119	3,293
3.6(c) Bank balances other than cash and cash equivalents		
Deposits with original maturity of more than three months but less than twelve months	4,123	750
	4,123	750
3.6(d) Current Loans		
(Unsecured and considered good)		
Security deposits	59	55
Inter corporate deposits to holding company (refer note 8)	14,440	11,687
(Interest free deposit for a period upto one year)		
	14,499	11,742

Dhansar Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
3.7 Current tax assets (net)		
Current tax assets (net of provision for tax)	300	-
	300	
3.8 Other current assets (Unsecured and considered good)		
Balance with statutory authorities (includes service tax credit and VAT/GST recoverable)	-	0
Prepaid expenses	2	2
Advance recoverable in cash or in kind	4,233	-
	4,235	2
3.10 Other equity		
Balance at the end of the year		
3.10.1 Instrument entirely of equity in nature	89	89
Total	89	89
Reserves and surplus		
3.10.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited))	4,912	4,912
3.10.3 Securities premium account	17,701	17,701
3.10.4 Retained earnings	8,368	10,627
Total	30,981	33,240
3.10.1 Instrument entirely of equity in nature		
Preference Shares	89	89
Authorised 1,000,000 (March 31, 2018: 1,000,000) preference shares of Rs. 10 each	100	100
	100	100
Issued, subscribed and paid up capital 894,000 (March 31, 2018: 894,000) preference shares of Rs. 10 each fully paid-up	89	89
	89	89
Reconciliation of number of shares		
Preference shares [refer note no. 3.10.1 (a)]		
Balance at the beginning of the year 894,000 (March 31, 2018: 894,000) shares of Rs. 10 each fully paid-up	89	89
Balance at the end of the year - 894,000 (March 31, 2018: 894,000) shares of Rs. 10 each	89	89
3.10.1(a) Terms/ rights attached to preference shares		
7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e. face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.		
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
Preference shares [refer note no. 3.10.1 (a)]		
Preference Shares of Rs. 10 each fully paid up held by Reliance Power Limited - Holding company	100%	100%
Percentage of holding in the class		
Number of shares	894,000	894,000
3.10.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited)) (refer note 3.10.5(a) below)	4,912	4,912
3.10.3 Securities premium account (refer note 3.10.5(b) below)	17,701	17,701
3.10.4 Retained earnings		
Balance at the beginning of the year	10,627	9,687
Profit for the year	(2,260)	941
Add: Remeasurements of post-employment benefit obligation (net) (Refer note 6)	1	(1)
Balance at the end of the year	8,368	10,627
3.10.5 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 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 is for premium issue of shares. The reserve would be utilized in accordance with the provision of the Companies Act, 2013.		

Dhursar Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
3.9 Share capital		
Authorised		
1,000,000 (March 31, 2018: 1,000,000) equity shares of Rs. 10 each	100	100
	100	100
Issued, subscribed and fully paid up capital		
904,000 (March 31, 2018: 904,000) equity shares of Rs. 10 each fully paid-up	90	90
	90	90
3.9.1 Reconciliation of number of equity shares		
Equity shares		
Balance at the beginning of the year - 904,000 (March 31, 2018: 904,000) shares of Rs. 10 each	90	90
Balance at the end of the year - 904,000 (March 31, 2018: 904,000) shares of Rs. 10 each	90	90
3.9.2 Rights, preference and restriction attached to equity shares		
a) Equity shares		
The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled for one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.		
3.9.3 Shares held by Holding Company		
Equity Shares		
Reliance Power Limited - Holding Company	90	90
904,000 (March 31, 2018: 904,000) equity shares of Rs. 10 each fully paid		
(Out of the above, 903,999 (March 31, 2018: 903,999) shares are held by Reliance Power Limited and 1 share is jointly held by Reliance Power Limited and its nominees)		
	90	90
3.9.3 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	100%	100%
Number of shares	904,000	904,000

Dhruv Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
3.11 Non-current borrowings		
Secured - at amortised cost - Term loans		
Foreign currency loans from financial institution/ other parties	-	38,726
		38,726
3.11.1 Nature of security for Term Loans:		
a) Term loans balance from financial institution/ other parties of Rs.44,900 (March 31, 2018 Rs. 44,311) 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.		
b) The Holding Company has given financial commitments/ guarantees to the lender of the Company. [refer note 8(c)(iii)]		
c) Current maturities of long term borrowings have been classified as other current liabilities (refer note 3.13(b))		
3.11.2 Terms of Repayment and Interest		
a) Foreign currency loan from financial institution/ 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. 27,289 lakhs (March 31, 2018 Rs. 26,923 lakhs)		
b) Foreign currency loan from financial institution/ other parties of is repayable over a period of sixteen and half years in half-yearly installments commencing from September 25, 2012 and interest is payable at the rate of 6 months USD LIBOR plus 2.5% per annum. The outstanding balance as on year end is Rs. 17,611 lakhs (March 31, 2018 Rs. 17,388 lakhs)		
3.11.3 The amortised cost disclosed above is net off incidental cost of borrowings aggregating Rs.1,171 lakhs (March 31, 2018 Rs. 1,405 lakhs).		
3.12 Non-current provisions	March 31, 2019	March 31, 2018
Provision for gratuity (refer note : 6)	6	8
Provision for leave entitlement (refer note : 6)	10	11
	16	19
3.13(a) Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises (refer note 16)	237	203
	237	203
3.13(b) Other current financial liabilities		
Current maturities of long-term borrowings (refer note : 3.11)	43,729	4,180
Interest accrued but not due on borrowings	31	29
Interest accrued and due on borrowings	860	-
Retention money payable	41	12
Dues to Holding Company (refer note 8)	19	12
Creditors for supplies and services (refer note 16)	250	122
Derivative Liabilities (Mark to Market) on derivative instruments (Net)	39	92
Others	275	84
	45,244	4,531
3.14 Other current liabilities		
Advance for contracted certified emission reduction	-	44
Other payables*	6	3
*(Including provident fund, tax deducted at source and other miscellaneous payables)		
	6	47
3.15 Current provisions		
Provision for gratuity (refer note : 6)	4	1
Provision for leave entitlement (refer note : 6)	4	2
	8	3
3.16 Current tax provision		
Provision for income tax	-	146
	-	146

Dhursar Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

Particulars	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
3.17 Revenue from operations		
Sale of energy (refer note 8) (Net of UI charges)	10,185	11,202
Other Operating Income		
Carbon credit emission	44	102
	10,229	11,304
3.18 Other income		
Interest income:		
Bank deposits	274	218
Net gain on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	416	-
	690	218
3.19 Employee benefits expense		
Salaries, bonus and other allowances	105	83
Contribution to provident fund and other funds	3	3
Gratuity and leave entitlement	5	13
	113	99
3.20 Finance cost		
Interest and finance charges on financial liabilities measured at amortised cost:		
On Foreign currency loans	2,046	1,862
Net loss on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	0	745
Other finance charges	1	3
	2,047	2,610
3.21 Other expenses		
Stores and spares consumed	20	13
Rent expenses	30	4
Transmission charges	648	641
Operation and maintenance service charges	89	137
Other operating expenditures	157	159
Repairs and maintenance		
- Plant and equipment	137	34
- Others	-	4
Legal and professional charges (including shared service charges)	145	107
Rates and taxes	5	28
Insurance	22	23
Trade receivable written off	3,943	-
Miscellaneous expenses	141	235
	5,337	1,385

4) Contingent liabilities and commitments

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 1,137 lakhs (March 31, 2018 Rs. 1,137 lakhs).

5) Details of remuneration to auditors:

	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) As auditors		
For statutory audit*	12	11
For other services*	-	40
(b) Out-of-pocket expenses	@	@

* The above amounts are exclusive of taxes.

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

6) 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, 2019	March 31, 2018
Current*	4	2
Non-current	10	11

@ 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, 2019	Year ended March 31, 2018
(i) Contribution to provident fund	3	3
(ii) Contribution to employees' superannuation fund	-	-
(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 entitles 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, 2019	March 31, 2018
Discount rate (per annum)	7.10%	7.65%
Rate of increase in compensation levels	7.50%	7.50%
Expected average remaining working lives of employees in number of years	3.33	5.25

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)

Particulars	Rupees in lakhs		
	Present value of obligation	Fair value of plan assets	Net amount
Balance as on March 31, 2018	9	-	9
Current service cost	1	-	1
Past service cost	-	-	-
Interest cost	1	-	1
Total amount recognised in profit and loss	2	-	2
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	-1	-	-1
Total amount recognised in other comprehensive income	-1	-	-1
Employer contributions	-	-	-
Benefit payments	-	-	-
Balance as on March 31, 2019	10	-	10

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Balance as on March 31, 2017	7	-	7
Current service cost	@	-	@
Past 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	(3)	-	(3)
(Gain) / loss from change in financial assumptions	@	-	@
Experience (gains) / losses	4	-	4
Total amount recognised in other comprehensive income	1	-	1
Employer contributions	-	-	-
Benefit payments	-	-	-
Balance as on March 31, 2018	9	-	9

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

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

Particulars	Rupees in lakhs	
	March 31, 2019	March 31, 2018
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Deficit of gratuity plan	-	-
Unfunded plans	10	9
Deficit of gratuity plan	10	9

(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50%	-1.64 %	-2.22 %	1.69 %	2.32 %
Rate of increase in compensation levels	0.50%	0.50%	1.68 %	2.31 %	-1.64 %	-2.24 %

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.

Dhursar Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 ,

7) Assets pledged as security

Particulars	Rupees in lakhs	
	March 31, 2019	March 31, 2018
Non-current		
Financial assets		
First charge		
Investments	278	4,511
Other financial assets	681	278
Non-financial assets		
First charge		
Property, plant and equipment	42,430	45,099
Other non-current assets	2,034	3,592
Total Non-current assets pledged as security	45,423	53,480
Current		
Financial assets		
First charge		
Trade receivables	7,866	7,726
Cash and bank balances	4,242	4,043
Loans	14,499	11,742
Non-financial assets		
Inventories	106	12
Current tax assets(net)	300	-
Other current assets	4,235	2
Total Current assets pledged as security	31,248	23,525
Total assets pledged as security	76,671	77,005

8) Related party transactions:

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)

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, 2019	March 31, 2018
(i)	Transactions during the year:		
	Sales		
	- R Infra (Sale of Energy net of UI Charges)	6,175	11,202
	Sale of Investments		
	- R Power	4,233	-
	Reimbursement of expenses and advances incurred by		
	- R Power	7	12
	- SPL	23	-
	Capital Advance		
	- R Infra	-	2,034
	Inter corporate deposit given to		
	- R Power	3,686	2,817
	- R Infra	2,753	-
	Refund of inter corporate deposit		
	- R Power	3,686	3,956

Dhursar Solar Power Private Limited
Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

		Rupees in lakhs	
		March 31, 2019	March 31, 2018
(ii)	Closing Balance :		
	Equity share capital (excluding premium)		
	- R Power	90	90
	Preference share capital (excluding premium)		
	- R Power	89	89
	Capital Advance		
	- R Infra	2,034	2,034
	Other Receivables		
	- R Power	4,233	-
	Trade receivables		
	- R Infra	7,866	7,726
	Total Receivable – Rs 11,809		
	Less: Provision for doubtful debts – Rs 3,943		
	Non-current Investment (refer note 3.2(a))		
	THPPL	-	4,233
	SHPPL (Net of Provision)	278	278
	Inter corporate deposit (Balance)		
	- R Power	11,687	11,687
	- R Infra	2,753	-
	Other Current Liabilities		
	- R Power	19	12

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

- (iii) The Holding Company has entered into agreements with the lenders of the Company for commitment 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.
- (v) The Company has entered into a memorandum of understanding for sharing of certain assets between the Company and RSTL.

9) Earnings per share:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit available to equity shareholders		
Net profit after tax (A) (Rupees in lakhs)	(2,260)	941
Weighted average number of equity shares (B)	904,000	904,000
Basic earnings per share (A/B) (Rupees)	(250.00)	104.09
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
Diluted earnings per share (A/D) (Rupees)	(125.70)	52.34
Nominal value of an equity share (Rupees)	10.00	10.00

10) Income taxes

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as under:

(a) Income tax recognised in statement of profit and loss		Rupees in lakhs
Particulars	March 31, 2019	March 31, 2018
Income tax expense		
Current tax		
Current tax on profit for the year	-	694
Adjustment for current tax of prior period	-	(34)
Total Current tax expenses	-	660
Deferred tax		
Decrease / (increase) in deferred tax assets	89	(89)
(Decrease) / increase in deferred tax liabilities	-	-
Total deferred tax expenses (benefit)	89	(89)
Income tax expenses	89	571

(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate :		Rupees in lakhs
Particulars	March 31, 2019	March 31, 2018
Profit before tax (A)	(2171)	1,512
Tax at the Indian tax rate of 26%(PY 34.944%)	(564.46)	524
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact on disallowed expenses (net)	564.46	401
Adjustment of Current tax for prior period	89	(34)
Effect of tax holiday, tax credits and other adjustments	-	(320)
Income tax expense	89	571

(c) Tax liabilities/ (Assets):		Rupees in lakhs
Particulars	March 31, 2019	March 31, 2018
Provision for income tax (advance tax) – Opening balances	146	66
Taxes paid (net of refund)	(446)	(580)
Current tax payable for the year	-	660
Provision for income tax (advance tax) – Closing balances	(300)	146

Note:

The Company is availing tax holiday under Section 80- IA of Income Tax Act, 1961. Hence, deferred tax asset/ liability on timing difference originating and reversing during the tax holiday period is not recognised in the financial statement.

11) Fair value measurements

(a) Financial instruments by category

	Rupees in lakhs			
	March 31, 2019		March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Security Deposit	-	60	-	56
Derivative assets	680	-	277	-
Trade receivables	-	7,866	-	7,726
Cash and cash equivalents	-	119	-	3,293
Bank deposits with more than 12 months maturity	-	4123	-	750
Inter corporate deposits	-	14,440	-	11,687
Other financial assets	-	4,235	-	-
Total financial assets	680	30,843	277	23,512
Financial liabilities				
Borrowings	-	44,620	-	42,935
Trade payables	-	237	-	203
Other current financial liabilities	-	586	-	230
Derivatives Liabilities	39	-	92	-
Total financial liabilities	39	45,443	92	43,368

@ 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 IND AS as below.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019	Rupees in lakhs				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivatives	3.2(c)	-	680	-	680
Total financial assets		-	680	-	680
Financial liabilities					
Derivatives	3.13(b)	-	39	-	39
Total financial liabilities		-	39	-	39

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2019	Rupees in lakhs				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	3.2(b)	-	-	1	1
Total financial assets		-	-	1	1
Financial Liabilities					
Borrowings	3.11	-	44,620	-	44,620
Total financial liabilities		-	44,620	-	44,620

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018	Notes	Rupees in lakhs			
		Level 1	Level 2	Level 3	Total
Financial assets					
Derivatives	3.2(c)	-	277	-	277
Total financial assets		-	277	-	277
Financial liabilities					
Derivatives	3.13(b)	-	92	-	92
Total financial liabilities		-	92	-	92

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2018	Notes	Rupees in lakhs			
		Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	3.2(b)	-	-	1	1
Total financial assets		-	-	1	1
Financial Liabilities					
Borrowings	3.11	-	41,759	-	41,759
Total financial liabilities		-	41,759	-	41,759

(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 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, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Security deposits	1	1	1	1
Total financial assets	1	1	1	1
Financial Liabilities				
Borrowings*	44,620	44,620	42,935	41,759
Total financial liabilities	44,620	44,620	42,935	41,759

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

Dhursar Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

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

The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the underlying 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.

12) 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 (INR)	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 terms 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 the power procurer 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 the holding company.

For banks and financial institutions, only highly rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

(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.

March 31, 2019	Rupees in lakhs			
	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non-derivatives Financial liabilities				
Borrowings*	44,620	-	-	44,620
Trade payables	237	-	-	237
Retention money payable	41	-	-	41
Creditors for supplies and services	250	-	-	250
Due to Holding Company	19	-	-	19
Other financial liabilities	275	-	-	275
Total Non-derivatives Financial liabilities	45,442	-	-	45,442
Derivatives Financial liabilities				
Forward exchange contracts use for hedging				
Inflow	(282)	-	-	(282)
Outflow	323	-	-	323
Total Derivatives Financial liabilities	41	-	-	41

March 31, 2018	Rupees in lakhs			
	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non-derivatives Financial liabilities				
Borrowings*	5,821	21,700	26,106	53,627
Trade payables	203	-	-	203
Retention money payable	12	-	-	12
Creditors for supplies and services	122	-	-	122
Due to Holding Company	12	-	-	12
Other financial liabilities	84	-	-	84
Total Non-derivatives Financial liabilities	6,254	21,700	26,106	54,060
Derivatives Financial liabilities				
Forward exchange contracts use for hedging				
Inflow	(602)	-	-	(602)
Outflow	698	-	-	698
Total Derivatives Financial liabilities	96	-	-	96

* 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. Also refer note 2(l) on Company's policy on accounting for exchange difference.

- 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, 2019	March 31, 2018
Financial liabilities		
Borrowings	44,900	44,339
Gross foreign currency exposure	44,900	44,339
Covered by Derivative		
Forward contracts	2,352	2,797
Call spread	13,212	15,337
Covered by derivatives	15,564	18,134
Net exposure to foreign currency risk (liabilities)	29,336	26,205

- 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	
	March 31, 2019	March 31, 2018
USD sensitivity		
FX rate – increase by 6% on closing rate on reporting date*	(2,334)	(2,143)
FX rate – decrease by 6% on closing rate on reporting date *	2,183	1,974
* 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, 2019 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, 2019	March 31, 2018
Variable rate borrowings	17,429	17,389

- 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, 2019	March 31, 2018
Interest sensitivity		
Interest cost – increase by 5% on existing Interest cost*	(42)	(42)
Interest cost – decrease by 5% on existing Interest cost*	42	42

* Holding all other variables constant

13) 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, 2019	March 31, 2018
Equity (excluding other reserves)	26,248	28,508
Debt	43,729	42,906
Total	69,977	71,414

(b) The Company is generally regular in payment of its debt service obligation.

14) Segment reporting

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

Information about major customers

Revenue for the year ended March 31, 2019 and March 31, 2018 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, 2019 and March 31, 2018 were as follows: (Refer note 2(m)(i))

Customer Name	For the year ended			
	March 31, 2019		March 31, 2018	
	Revenue in lakhs	Percent	Revenue in lakhs	Percent
R infra (net off UI Charges)	6,175	61%	11,202	100%
Adani Electricity Mumbai Ltd (net off UI Charges)	4,010	39%	-	-
	10,185	100%	11,202	100%

15) 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 of Rs. 2,924 lakhs (Loss) (March 31, 2018 Rs. 147 lakhs) towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

Dhursar Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

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

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined based on the information available with the Company and the required disclosure are given below.

	For the year ended March 31, 2019	Rupees in lakhs For the year ended March 31, 2018
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year (refer note 3.13(b))	25.57	-
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

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

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	No. of CERs held as inventory and the basis of valuation	-	-
b)	No. of CERs under certification	-	-
c)	Depreciation and operating and maintenance costs of Emission Reduction equipment expensed during the year	-	-

18) Offsetting of financial assets and financial liabilities

The following table presents the derivative financial instruments that are offset as at March 31, 2019 and March 31, 2018 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 sett-off in balance sheet	Net balance presented in balance sheet
As at March 31, 2019			
Financial Liabilities			
Derivative Liabilities	(359)	320	(39)
Total Financial Liabilities	(359)	320	(39)
Financial Assets			
Derivative Assets	1000	(320)	680
Total Financial Assets	1000	(320)	680
As at March 31, 2018			
Financial Liabilities			
Derivative Liabilities	(464)	372	(92)
Total Financial Liabilities	(464)	372	(92)
Financial Assets			
Derivative Assets	649	(372)	277
Total Financial Assets	649	(372)	277

19) Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - statement of cash flows

Particulars	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Long Term Borrowings		
Opening Balance		
- Non Current	38,726	42,513
- Current	4,180	4,167
Changes in Fair Value		
- Impact of Effective Rate of Interest	234	253
- Exchange (gain) / loss	2,924	147
Repaid during the year/period	(2,335)	(4,174)
Closing Balance		
- Non Current	-	38,726
- Current	43,729	4,180
Interest Expenses		
Interest accrued but not due on borrowings (Opening)	29	29
Interest charge as per statement profit and loss	2,047	2,610
Changes in Fair Value		
- Impact of Effective Rate of Interest	(234)	(253)
- Impact of MTM Derivative valuation	39	(59)
Interest paid to Lenders	(990)	(2,298)
Interest accrued and due on borrowings (Closing)	860	29
Interest accrued but not due on borrowings (Closing)	31	-

20) Corporate Social Responsibility

Particulars	Rupees in lakhs	
	March 31, 2019	March 31, 2018
Contribution to Mandke Foundation	-	30
Contribution to other CSR Activities	31	4
Total	31	34
Amount required to be spent as per Section 135 of the Act	27	33
Amount spent during the year on		
Purposes other than Construction/acquisition of an asset	31	34

- 21) The Company had entered into a Energy Purchase Agreement (EPA) with Reliance Infrastructure Limited (RInfra) for its 40 MW solar PV power plant at a tariff of Rs. 17.91/kWh. During the year, RInfra and Reliance Electric Generation and Supply Limited (REGSL) have entered into the Scheme of Arrangement, approved by the Hon'ble High Court of Bombay, pursuant to which REGSL acquired the Mumbai Power Division of RInfra (Generation, Transmission as well as Distribution). Consequent to the transfer of Mumbai Power Division to REGSL, RInfra has transferred its holding in REGSL to Adani Transmission Limited (ATL). Subsequently REGSL is renamed as Adani Electricity Mumbai Limited (AEML).

Dhursar Solar Power Private Limited

Notes to the unaudited financial statements as of and for the year ended March 31, 2019 (continued)

The above referred EPA has been a long term contract as any firm power purchase contract should be for a Distribution Licensee. The EPA of 40 MW was entered into not only to meet the Renewable Purchase Obligation (RPO) target cumulatively for the Control Period, but also to cater to the future demand and consequent increase in RPO target, expected after FY2015-16. However, Maharashtra Electricity Regulatory Commission (MERC) vide its Order dated 21.10.2016 in Case 34 of 2016 approved the weighted average rate of purchase from Dhursar Solar as Rs 10.31/kWh following the approach in contrary to its previous Orders. Rinfra has challenged the rate approved by MERC and has filed an appeal against the order of MERC with Appellate Tribunal for Electricity (APTEL), which is pending for disposal. The Company has been legally advised that the chances of decision in favour of the Company are high considering the facts and past judgments on similar matters.

Subsequent to transfer of Mumbai Power Division by Rinfra to ATL, pending settlement of the dispute, AEML is liable to pay to the Company, only to the extent of weighted average rate approved by MERC (i.e 10.31/kWh per unit for FY 18-19) and the balance would be billed to Rinfra. On disposal of the appeal in Rinfra's favour, AEML would reimburse the same to Rinfra. Further, Rinfra shall reimburse the shortfall, if any, to the Company on settlement of the above dispute. Rinfra has confirmed that it will reimburse the sales proceeds receivable from AEML amounting to Rs 2753 Lakhs.

- 22) The Company has availed long term financing facility from Asian Development Bank (ADB) and The Export-Import Bank of The United States (US Exim) for the project (Refer note 3.11 for details of loan availed and terms of payment). During the year ended March 31, 2019, instalment of Rs 3,082 lakhs (Inclusive of interest of Rs. 860 lakhs) due for payment on March 25, 2019 remains outstanding due to liquidity constraints. As per the terms of loan agreement, the Company is liable to pay penal interest till the balance is overdue and an event of default. In case of event of default, the lenders have a right to declare the loan fully payable immediately; the lenders have not called upon the Company to repay the loan immediately. The Company has disclosed the loan as current liability.

The Company has Fixed Deposit of Rs. 40 crores under Debt Service Reserve Account (DSRA) which can be utilized for repayment of outstanding loan for which the Company is in discussion with the lenders.

Based on the communication about planned payment schedule from Rinfra, RPower and on support letter provided by RPower, the Company is confident of meeting all its obligations in the future and accordingly the financial statements are prepared on a going concern basis.

- 23) The figures for the previous year are re-classified / re-grouped, wherever considered necessary.

For DHURSAR SOLAR POWER PRIVATE LIMITED

Director

Date: 27 MAY 2019

Place: Mumbai