INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SASAN POWER LIMITED

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

1. We have audited the accompanying financial statements of Sasan Power Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its total comprehensive income (comprising of profit/ loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by Price Waterhouse, Chartered Accountants and Chaturvedi & Shah Chartered Accountants, on which they expressed an unmodified opinion dated May 27, 2016 and May 22, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

   Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comment in the Annexure B, as required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Note 5

ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 - Refer Note 24

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: May 22, 2017

For Pathak H.D. & Associates
Firm Registration Number: 107783W
Chartered Accountants

Vishal D. Shah
Partner
Membership Number: 119303

Place: Mumbai
Date: May 22, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Sasan Power Limited on the Ind AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Sasan Power Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Sasan Power Limited on the Ind AS financial statements for the year ended March 31, 2017

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: May 22, 2017

For Pathak H.D. & Associates
Firm Registration Number: 107783W
Chartered Accountants

Vishal D. Shah
Partner
Membership Number: 119303

Place: Mumbai
Date: May 22, 2017

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

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties other than self-constructed immovable property (buildings) as disclosed in fixed assets [Note 4.1] to the financial statements, are held in the name of the Company, except freehold land aggregating 5.44 hectares amounting to Rs. 462 lakhs which is pending for registration/mutation.

In respect of immovable properties been taken on lease and disclosed as fixed assets [Note 4.1] to the financial statements, the lease agreements are in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion and according to information and explanation given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to its directors or any other person in whom director is interested. As the company is engaged in providing infrastructure facilities as specified in schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion and according to information and explanation given to us, the Company has complied with the provisions sub-section (1) of section 186 of the Act.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. During the year no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion undisputed statutory dues in respect of District Mineral Fund (DMF) and Forest transit fees have not been regularly deposited with the appropriate authorities and is generally regular in depositing undisputed statutory dues in respect of National Mineral Exploration Trust (NMET), Electricity duty, Energy development Cess, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities though there has been a slight delay in a few cases.

The extent of the arrears of statutory dues outstanding as at March 31, 2017, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due date	Date of Payment
Mines and Minerals (Development and Regulation) Act, 1957 Mines and Minerals (Contribution to District Mineral foundation) Rules, 2015	District Mineral Fund (DMF)	7,221	August 2015 to September 2016	Monthly	Not Paid
Madhya Pradesh Lok Vaniki Adhiniyam, 2001 Madhya Pradesh Transit (Forest produce) Rules, 2000	Forest transit fees	2,070	October 2014 to September 2016	Monthly	Not Paid

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further term loans have been applied for the purposes for which they were obtained, except for the unutilized proceeds of term loan, to the extent of Rs. 77,699 lakhs that were obtained for capital expenditure but held in mutual funds.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has not paid/provided for managerial remuneration. Therefore, provisions of clause 3(xi) of the order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: May 22, 2017

For Pathak H.D. & Associates
Firm Registration Number: 107783W
Chartered Accountants

Vishal D. Shah
Partner
Membership Number: 119303

Place: Mumbai
Date: May 22, 2017

Sasan Power Limited
Balance Sheet as at March 31, 2017

Rupees in lakhs

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	2,512,205	2,535,522	2 370,392
Capital work-in-progress	4.2	52,677	47,758	273,344
Intangible assets	4.3	2,925	3,014	3,155
Financial assets	4.4			
Margin Money deposits	4.4(a)	12,365	4,554	15,877
Other financial assets	4.4(b)	10,905	9,270	8,574
Deferred tax assets (net)	4.5	42,019	7,001	2,479
Other non-current assets	4.6	48,644	51,073	75,207
Current assets				
Inventories	4.7	57,909	40,586	28,877
Financial assets	4.8			
Investments	4.8(a)	79,939	87,275	72,295
Trade receivables	4.8(b)	63 389	185,034	99,438
Cash and cash equivalents	4.8(c)	5,226	50,710	11,090
Bank balances other than cash and cash equivalents	4.8(d)	4,755	24,797	-
Other financial assets	4.8(e)	18,819	6,021	40,248
Other current assets	4.9	26,030	23 670	19,811
Total		2,939,807	3 076,285	3,020,787
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	4.10	4,371	4,371	4,126
(b) Other equity				
Instruments entirely equity in nature	4.11	23,579	23,579	3,579
Reserves and surplus	4.12	850,383	833 974	816,293
Liabilities				
Non-current liabilities				
Financial liabilities	4.13			
Borrowings	4.13(a)	1,534,078	1,680,850	1,572,320
Other financial liabilities	4.13(b)	7,494	378	111,828
Provisions	4.14	2,150	2,877	2,629
Other non-current liabilities	4.15	176,241	190,399	200,161
Current liabilities				
Financial liabilities	4.16			
Borrowings	4.16(a)	50,349	47,530	14,000
Trade payables	4.16(b)	20,019	13,057	410
Other financial liabilities	4.16(c)	208,661	214,152	167,665
Other current liabilities	4.17	62,391	65,007	37,115
Provisions	4.18	91	111	90,661
Total		2,939,807	3,076,285	3,020,787

Significant accounting policies	2
Notes on financial statements	1 to 24

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

Sasan Power Limited

As per our attached report of even date

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

Priyanshu Gundana
Partner
Membership No. : 109553

For Pathak HD & Associates
Firm Registration No. : 107783W
Chartered Accountants

Vishal D Shah
Partner
Membership No. : 119303

Place: Mumbai
Date: May 22, 2017

For and on behalf of the Board of Directors

Dr.Yogendra Narain
Director
DIN No. 01871111

Ashok Karnavat
Director
DIN No. 07098455

Suresh Nagrajan
Director
DIN No. 01851432

Arvind Singh
Chief Financial Officer

Paresh Rathod
Company Secretary & Manager
FCS : 3476

Place: Mumbai
Date: May 22, 2017

Sasan Power Limited
Statement of Profit and Loss for the year ended March 31, 2017

Rupees in lakhs

Particulars	Note no.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	4.19	491,695	466,310
Other Income	4.20	29,226	22,240
Total Income		520 921	488 550
Expenses			
Cost of fuel consumed (including cost of coal excavation)	4.21	174,563	148 759
Employee benefits expense	4.22	8,632	7 807
Finance costs	4.23	161,671	145,458
Depreciation and amortization expense		131 658	132,086
Other expenses	4.24	62 969	65,430
Total expenses		539,493	499,540
Loss before tax		(18,572)	(10,990)
Income tax expense			
Current tax		-	-
Deferred tax		(35,018)	(4,523)
Excess provision of earlier years written back		-	(8)
Profit / (Loss) for the year (A)		16,446	(6 459)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans (Refer note 8)		(37)	(115)
Tax relating to Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		-	-
Other Comprehensive Income for the year, net of tax (B)		(37)	(115)
Total Comprehensive Income for the year (A+B)		16,409	(6,574)
Earnings per equity share: (Face value of Rs. 10 each)			
Basic (Rupees)	11	37.62	(15 27)
Diluted (Rupees)	11	20.69	(15 27)

Significant accounting policies	2
Notes on financial statements	1 to 24

The accompanying notes are an integral part of these financial statements

Sasan Power Limited

As per our attached report of even date

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

Priyanshu Gundana
Partner
Membership No. : 109553

For Pathak HD & Associates
Firm Registration No. : 107783W
Chartered Accountants

Vishal D Shah
Partner
Membership No. : 119303

Place: Mumbai
Date: May 22, 2017

For and on behalf of the Board of Directors

Dr.Yogendra Narain
Director
DIN No. 01871111

Ashok Karnavat
Director
DIN No. 07098455

Suresh Nagrajan
Director
DIN No. 01851432

Arvind Singh
Chief Financial Officer

Paresh Rathod
Company Secretary & Manager
FCS : 3476

Place: Mumbai
Date: May 22, 2017

Sasan Power Limited
Cash flow statement for the year ended March 31, 2017

Rupees in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(A) Cash flow from / (used in) operating activities		
Loss before tax	**(18,572)**	**(10,990)**
Adjustments for :		
Profit on redemption of current investments (non trade)	(6,090)	(6,594)
Gain arising on mutual fund investment mandatorily measured at fair value	(2,240)	(1,019)
Gain on foreign exchange fluctuation	(5,677)	-
Government Grant	(11,416)	(10,392)
Depreciation/Amortisation (including depreciation on mining equipments)	144,458	141,673
Finance Cost	161,671	145,456
Interest income	(1,784)	(1,598)
Provision no longer required written-back	-	(1,606)
Dividend income on current investment (non trade)	-	(153)
Gain on disposal of property, plant and equipment	(462)	-
Trade receivables written-off	3,498	-
Operating Profit / (loss) before working capital changes	**263,386**	**254,777**
Adjustment for :		
(Increase) / decrease in other financial assets	(8,498)	35,639
(Increase) / decrease in trade receivables	29,137	(85,596)
(Increase) / decrease in other non-current assets	4,614	6,687
(Increase) / decrease in inventories	(33,754)	(10,872)
(Increase) / decrease in other current assets	(2,360)	(3,659)
Increase / (decrease) in other financial liabilities	(1,664)	587
Increase / (decrease) in provisions	(994)	26
Increase / (decrease) in trade payables	6,962	12,647
Increase / (decrease) in other current liabilities	(5,428)	26,668
	251,401	**237,104**
Taxes paid (net of refund)	(156)	(319)
Net cash from operating activities	**251,245**	**236,785**
(B) Cash flow from / (used in) investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(54,572)	(135,372)
Proceeds from disposal of property, plant and equipment	2,120	-
Sale / (purchase) of current investments (non trade) (net)	15,666	(7,367)
Dividend income on current investments (non trade)	-	153
(Increase) / decrease in non-current margin money bank deposits	(7,642)	10,757
(Increase) / decrease in other bank balances	19,631	(24,318)
Interest received	2,026	1,685
Net cash used in investing activities	**(22,771)**	**(154,462)**
(C) Cash flow from / (used in) financing activities		
Share application money received	-	24,500
Proceeds from long term borrowings - secured	166,260	95,300
Repayment of long term borrowings - secured	(297,311)	(80,486)
Inter corporate Deposit received / paid (net)	-	6,000
Interest and finance charges paid	(145,726)	(135,547)
Proceeds from Short term borrowings - (net of repayment)	2,819	47,530
Net cash used in financing activities	**(273,958)**	**(42,703)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(45,484)**	**39,620**
Cash and cash equivalent at beginning of the year		
Bank balances		
- in current accounts	42,478	1,088
- in fixed deposits	8,232	10,002
Cash and cash equivalent at end of the year		
Bank balances		
- in current accounts	2,449	42,478
- in fixed deposits	2,777	8,232

The accompanying notes are an integral part of these financial statements

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

Sasan Power Limited

As per our attached report of even date

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

Priyanshu Gundana
Partner
Membership No. : 109553

For Pathak HD & Associates
Firm Registration No. : 107783W
Chartered Accountants

Vishal D Shah
Partner
Membership No. : 119303

Place: Mumbai
Date: May 22, 2017

For and on behalf of the Board of Directors

Dr.Yogendra Narain
Director
DIN No. 01871111

Ashok Karnavat
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Suresh Nagrajan
Director
DIN No. 01851432

Arvind Singh
Chief Financial Officer

Paresh Rathod
Company Secretary & Manager
FCS : 3476

Place: Mumbai
Date: May 22, 2017

Sasan Power Limited
Statement of Changes in Equity

A. Equity Share Capital

Rupees in lakhs

Particulars	Notes	Amount
As at April 01, 2015		4,126
Changes in equity share capital	4.10	245
As at March 31, 2016		4,371
Changes in equity share capital	4.10	-
As at March 31, 2017		4,371

B. Other Equity

Rupees in lakhs

Particulars	Notes	Instruments entirely equity in nature			Reserves and surplus			Total
		Preference Shares [Refer note 4.11.3(a)]	Intercorporate Deposits	Total	Securities Premium Account	Retained Earnings	Total	
As at April 01, 2015		3,579	-	3,579	762 295	53 998	816.293	819,872
Profit for the year		-	-	-	-	(6.459)	(6.459)	(6.459)
Other comprehensive income for the year		-	-	-	-	(115)	(115)	(115)
Total comprehensive income for the year		-	-	-	-	(6,575)	(6,575)	(6,575)
Transaction with owners in their capacity as owners :								
Issue of equity shares	4.10	-	-	-	24 255	-	24,255	24,255
Proceeds from inter-corporate deposits	4.11	-	20,000	20,000	-	-	-	20,000
Balance as at March 31, 2016		3,579	20,000	23,579	786,550	47,423	833,973	857,552
Balance as at April 01, 2016		3,579	20,000	23,579	786,550	47,423	833,973	857,552
Profit for the year		-	-	-	-	16 446	16,446	16,446
Other comprehensive income for the year		-	-	-	-	(37)	(37)	(37)
Total comprehensive income for the year		-	-		-	16,409	16,409	16,409
Transaction with owners in their capacity as owners :								
Issue of equity shares		-	-	-	-	-	-	-
Balance as at March 31, 2017		3,579	20,000	23,579	786,550	63,832	850,382	873,961

The accompanying notes are an integral part of these financial statements

Sasan Power Limited

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Priyanshu Gundana
Partner
Membership Number: 109553

For Pathak HD & Associates
Firm Registration Number: 107783W
Chartered Accountants

Vishal D Shah
Partner
Membership Number: 119303

Place: Mumbai
Date: May 22, 2017

For and on behalf of the Board of Directors

Dr. Yogendra Narain
Director
DIN No.01871111

Ashok Karnavat
Director
DIN No.07098455

Suresh Nagrajan
Director
DIN No.01851432

Arvind Singh
Chief Financial Officer

Paresh Rathod
Company Secretary & Manager
FCS 3476

Place: Mumbai
Date: May 22, 2017

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

1) General Information

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

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

These financial statements were authorised for issue by the board of directors on May 22, 2017.

2) Significant accounting policies and critical accounting estimates:

2.1 Basis of accounting, measurement and significant accounting policies

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

(a) Basis of preparation :

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). These are the Company's first Ind AS financial statements and Ind AS 101, 'First–time Adoption of Indian Accounting Standards' has been applied. The policies set out below have been consistently applied during the years presented.

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

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

Historical cost convention

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

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

Fair value measurement

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

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

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

Classification of current and non-current

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities

(b) Recent accounting pronouncements :

Standards issued but not yet effective

Amendment to Ind AS 7:

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

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

Freehold land is carried at historical cost. All Items of Property, plant and equipment (PPE) are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any The cost of PPE comprises of its purchase price, capitalised borrowing costs and adjustment arising for exchange rate variations attributable to the assets (Refer note 2 1(p) (ii) below), including any cost directly attributable to bringing the assets to their working condition for their intended use.

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

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

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

Transition to Ind AS :

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

Depreciation:

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

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

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

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

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

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

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

(d) Mining properties under tangible assets :

i. Overburden removal costs:

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

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

ii. Mine closure obligation:

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

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

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

iii. Mine development expenditure:

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

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

(e) Intangible assets :

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

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

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

Amortisation

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

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

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

Transition to Ind AS :

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

(f) Impairment of non-financial assets :

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

(g) Inventories :

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

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

(h) Trade Receivable :

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

(i) **Financial Instruments :**

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

Investments and other financial assets

i. **Classification**

The Company classifies its financial assets in the following measurement categories.
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

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

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

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

ii. **Measurement**

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

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

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

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

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

iii. **Impairment of Financial Assets**

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

For trade receivables only, the Company 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.
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

v. **Income recognition**

Interest income

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

Dividend

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

(j) Offsetting Financial instruments

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

(k) Derivative financial instruments

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

(l) Contributed equity

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

(m) **Financial liabilities :**

i. **Classification as debt or equity**

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

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

ii. **Initial recognition and measurement**

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

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

iv. **Derecognition**

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

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

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

(n) Borrowing costs

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

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

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

(o) Provisions, Contingent Liabilities and Contingent Assets :

Provisions

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

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

Contingent liabilities

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

Contingent Assets:

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

(p) Foreign currency transaction :

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

ii. **Transactions and balances**

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

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

(iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in Ind AS 101 to continue the policy adopted in previous gaap for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.

(iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

(q) Revenue recognition :

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

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

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

(r) Employee benefits :

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Post employee obligations

The Company operates the following post-employment schemes:
- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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

(s) Income taxes :

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

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

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

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

(t) Government grant :

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

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

(u) Cash and cash equivalents :

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

(v) **Earnings per share :**

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

(w) **Cash Flow Statement :**

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

(x) **Segment Reporting :**

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 Station Director for the power plant / Chief Project Director for coal mine and the Chief Financial Officer that makes strategic decisions.

2.2 Critical accounting estimates and judgements

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful lives of Power Plants

The Company has independently estimated the useful life and method of depreciation of power plant and coal mine assets considering factors such as consumption of economic benefit, technical evaluation of useful life, assessment of expected repairs and maintenance cost etc. In actual, the estimate considered for above factors could be different. When the useful lives differ from the original estimated useful lives, the Company will adjust the estimated useful life accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, plant and equipment. (Refer note 4 1)

(b) Stripping ratio for coal mining

Significant estimate is involved in case of open pit mining operations for estimating quantity of overburden and mineable coal reserve which would be extracted over the life of the mine, based on which stripping ratio is determined. This ratio is periodically reviewed and changes, if any, are accounted for prospectively The Company has considered the stripping ratio based on the coal mine plan approved by the regulator (Refer note 4.1).

(c) Income taxes

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. (Refer note 14)

(d) Deferred tax

The Company has deferred tax assets and liabilities which are expected to be realised through the Statement of Profit and Loss over the extended periods of time in the future. In calculating the deferred tax items, the Company is required to make certain assumptions and estimates regarding the future tax consequences attributable to differences between the carrying amounts of assets and liabilities as recorded in the financial statements and their tax bases. Assumptions made include the expectation of future operating performance that will be consistent with historical levels of operating results, recoverability periods for tax loss carry forwards will not change, and that existing tax laws and rates will remain unchanged into foreseeable future. (Refer note 14)

(e) Impairment of assets

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

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

(f) Fair value measurement and valuation process

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

3) **Transition to Ind AS:**

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

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

A. **Exemptions and exceptions availed**

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

i. **Ind AS optional exemptions**

(a) **Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38. The Company has elected to use previous GAAP carrying value as deemed cost for all its property, plant and equipment (PPE) and Intangible assets covered by Ind AS 38 "Intangible Assets". The Company has opted for this exemption.

(b) **Long term foreign currency monetary Items**

Ind AS 101 permits a first time adopter to continue the accounting policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016. The Company has opted for this exemption. Refer 2(p) (ii) above.

ii. **Ind AS mandatory exceptions**

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

(a) **Estimates**

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

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

- Investments in financial assets carried at fair value through profit and loss
- Impairment of financial assets based on expected credit loss model

(b) **Classification and measurement of financial assets**

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

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

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

Rupees in lakhs

Particulars	Notes to first time adoption	March 31, 2016	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		802,739	777,680
Adjustments :			
Mutual fund investments measured at fair value through profit and loss	i	1,019	-
Fair valuation of derivative instruments	ii	36,869	29,111
Present value of mine closure obligation	iii	260	(49)
Classification of debt instruments as equity	iv	20,000	-
Borrowings – transaction cost adjustment	v	(3,179)	-
Adjustment for retention money measured at amortised cost	vi	-	14,777
Government grant	vii	10,392	-
Additional depreciation on account of grossing up of grant to Property, plant and equipment (net of decrease in depreciation on transaction cost adjustment)	viii	(13,178)	-
Tax adjustments	ix	7,001	2,479
Total adjustments		**59,185**	**46,318**
Total equity (shareholder's funds) as per Ind AS		**861,924**	**823,998**

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

Rupees in lakhs

Particulars	Notes to first time adoption	March 31, 2016
Profit after tax as per previous GAAP		559
Adjustments :		
Fair value change arising on mutual fund investments	i	1,019
Fair valuation of derivative instruments	ii	7,758
Adjustment for present value of mine closure obligation	iii	309
Borrowings – transaction cost adjustment	v	(3,179)
Additional depreciation on account of grossing up for Government grant (net of decrease in depreciation on transaction cost adjustment)	viii	(13,178)
Recognition of grant income	vii	10,392
Unwinding of interest on retention money measured at amortised cost	vi	(14,777)
Remeasurement of post-employment benefit obligation	x	115
Tax adjustments	ix	4,523
Total adjustments		**(7,018)**
Profit after tax as per Ind AS		**(6,459)**
Other comprehensive income		**(115)**
Total comprehensive income as per Ind AS		**(6,574)**

C. Notes to first-time adoption:

i. **Fair value of Mutual fund investment**

Under the previous GAAP, investments in mutual funds were classified as current investment and were carried at lower of cost and fair value.

Ind AS 109 requires mutual fund investments to be measured at fair value through profit or loss. Consequently on transition to Ind AS, profit for the year ended March 31, 2016 has increased by Rs.1,019 lakhs.

ii. **Fair value of derivative instruments**

Under Ind AS, all the derivative instruments are fair valued with recognition of both gains and losses in Statement of Profit and Loss as against under Previous GAAP only losses on derivative contracts are recognised on marking them to market (as per the announcement by Institute of Chartered Accountants of India) and in case of forward contracts premium/discount on such contracts are amortized as expense/income over the life of contract and on every period end they are revalued. Consequently on transition to Ind AS, the total equity on the date of transition has been increased by Rs. 29,111 lakhs and profit for the year ended March 31, 2016 has been increased by Rs. 7,758 lakhs.

iii. **Mine closure obligation on Coal Mines**

Under Previous GAAP, mine closure obligation is provided as liability and capitalised as mining properties in absolute numbers. Under Ind AS, the liability is initially measured at fair value (present value of cost) and capitalised as mining properties, subsequently unwinding of interest expenses on mine closure obligation is accounted for in Statement of Profit and Loss. Consequently on transition to Ind AS, the total equity as on the date of transition has been decreased by Rs. 49 lakhs and profit for the year ended March 31, 2016 increased by Rs. 309 lakhs.

iv. **Classification of inter-corporate deposits to equity**

Ind AS 32 requires classification of financial instruments issued into financial liabilities or equity Inter-corporate deposits received from the Holding Company meet the definition of an equity, as the terms do not cast any contractual obligation on the Company to make any payment. Accordingly the same has been classified as equity under Ind AS

On account of the said adjustment there has been decrease by Rs. 20,000 lakhs in borrowings with a corresponding increase in equity as at March 31, 2016.

v. **Borrowings – transaction cost adjustment**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. The same is recognized as interest as part of the effective interest rate method over the period of the borrowing.

Under the Previous GAAP upfront were recognised in the books upfront.

On account of the above adjustments, borrowings as at March 31, 2015 have been reduced with a corresponding adjustment to property, plant and equipment by Rs. 20,085 lakhs, subsequent to transition date the additional interest cost arising on account of amortization of transaction cost has resulted into decrease in the profit for the year ended March 31, 2016 by Rs. 3,179 lakhs.

vi. **Retention money adjustment**

Ind AS 109 requires financial instruments to be measured at fair value at initial recognition in case for financial liability not at fair value through profit or loss. In accordance with above Company has discounted the retention money payable in order to reflect the fair value of the retention money at initial recognition. After initial measurement subsequently the retention liability would be recognized at amortised cost.

Under the Previous GAAP retention money was carried at transaction value.

On account of above there has been decrease in retention money payable by Rs.14,777 lakhs with corresponding adjustment to equity as on April 01, 2015. The unwinding of discount on retention money payable has resulted in decrease in profit for the year ended March 31, 2016 by Rs.14,777 lakhs.

vii. **Government Grant**

The exemption granted by the Government of India on certain taxes and duties to Ultra Mega Power Plant (UMPP) have been recognised as capital grant under Ind AS, Refer note 13 below for details. Accordingly, on transition to Ind AS the Property, Plant and equipment has been increased by Rs.210,553 lakhs and on March 31, 2016 by Rs.1,653 lakhs and an equivalent amount of deferred revenue has been recognised in the financial statements.

Subsequently, Government grant of Rs. 10,392 lakhs has been recognised as an income in Statement of Profit and Loss for the year ended March 31, 2016 in the proportion in which depreciation expense on the assets related to grant is recognised. There is no net impact on profit before tax of the above adjustment.

viii. **Additional depreciation on account of grossing up of Government Grant and transaction cost adjustment**

On transition to Ind AS grossing up of government grant and deduction of transaction cost from Property, plant and equipment has resulted into an net increase in depreciation on account of which Profit for the year ended March 31, 2016 has reduced by Rs.13,178 lakhs.

ix. **Deferred tax**

Deferred tax asset / liability has been recognized on all temporary differences arising on account of the aforesaid adjustments and on account of temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Accordingly, total equity on the date of transition has been increased by Rs. 2,479 lakhs and profit for the year ended March 31, 2016 has been increased by Rs.4,523 lakhs.

x. **Remeasurement of post-employment benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs 115 lakhs. There is no impact on the total equity as at March 31, 2016 and as at April 01, 2015.

xi. **Other comprehensive income**

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

xii. **Retained earnings**

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

4.1 Property, plant and equipment

Rupees in lakhs

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment[4]	Mining properties[3]	Furniture & fixtures	Motor Vehicles	Office equipment	Computers	Total
Gross carrying amount										
Deemed cost as at April 01, 2015	37,191	18,736	45,202	2,224,521	42,954	1,483	170	52	83	2,370,392
Additions	846	812	13,946	242,906	52,495	48	15	256	30	311,353
Adjustments[1]	-	-		58,226	-	-	-	-	-	58,226
Disposal	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	**38,037**	**19,548**	**59,148**	**2,525,653**	**95,449**	**1,531**	**185**	**308**	**113**	**2,739,972**
Accumulated depreciation										
Balance as at April 01, 2015	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year[2]	167	522	3,290	137,256	62,920	176	58	20	41	204,450
Disposal / discard	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	**167**	**522**	**3,290**	**137,256**	**62,920**	**176**	**58**	**20**	**41**	**204,450**
Gross carrying amount										
Balance as at April 01, 2016	38,037	19,548	59,148	2,525,653	95,449	1,531	185	308	113	2,739,971
Additions	630	131	2,712	117,944	57,878	5	-	2	-	179,303
Adjustments[1]	-	-	-	(2,372)	-	-	-	-	-	(2,372)
Disposal	-	-	-	1,753	-	-	-	-	-	1,753
Balance as at March 31, 2017	**38,667**	**19,679**	**61,860**	**2,639,472**	**153,327**	**1,536**	**185**	**310**	**113**	**2,915,149**
Accumulated depreciation										
Balance as at April 01, 2016	167	522	3,290	137,256	62,920	176	58	20	41	204,450
Depreciation charge during the year[3]	167	532	3,492	139,856	54,248	180	52	45	18	198,590
Disposal	-	-	-	96	-	-	-	-	-	96
Balance as at March 31, 2017	**334**	**1,054**	**6,782**	**277,017**	**117,168**	**356**	**110**	**65**	**59**	**402,944**
Net carrying amount										
Net carrying amount as on April 01, 2015	37,191	18,736	45,202	2,224,521	42,954	1,483	170	52	83	2,370,392
Net carrying amount as on March 31, 2016	37,870	19,026	55,858	2,388,396	32,529	1,355	127	288	72	2,535,522
Net carrying amount as on March 31, 2017	38,333	18,625	55,078	2,362,455	36,159	1,180	75	245	54	2,512,205

Notes:
1 Includes adjustment towards capitalisation of exchange differences (Refer note 6).
2 Refer note 2.1 (c) and note 2.1 (d)
3 Mining properties includes expenses incurred towards removal of over burden [Refer note 4.2(a)]. Also Refer note 3 C(iii).
4 Includes adjustment towards government grant and transaction cost [Refer note 2.1(t), 3 C(vii) and 3 C(v)]

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

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016
Statement of profit and loss	131,658	132,086
Amortisation of mining properties	54,248	62,920
Depreciation included as part of coal excavation cost	981	1,092
Depreciation included as part of overburden excavation expenses	11,819	8,495
	198,706	**204,593**

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

4.2 Capital Work-in-Progress

Rupees in lakhs

Particulars	As at April 01, 2015	Incurred/Adjusted during the year	Capitalised / Adjusted	As at March 31, 2016
A. Assets under Construction	181 661	102,727	246,530	37,858
B. Expenditure pending allocation				
(i) Expenses				
Interest and finance charges	64 053	6,301	64,107	6,247
Employee benefit expense:				
- Salaries and other costs	2,548	-	2,292	256
- Contribution to provident and other funds (Refer note 8)	119	-	107	12
- Gratuity and Leave encashment (Refer note 8)	94		85	9
Depreciation / Amortisation	204	-	184	20
Exchange loss (net)	14 839	-	13,650	1,189
Legal and professional charges (including shared service charges)	2 537	-	2,283	254
Other direct and incidental expenditure	7 814	690	7,266	1 238
Sub total	92,208	6,991	89,974	9,225
(ii) Incidental income during construction	1 820	-	1,820	-
Net expenditure pending allocation (i) - (ii)	90,388	6,991	88,154	9,225
C. Construction stores	1,295			675
Total Capital Work in Progress (A+B+C)	273,344	109,718	334,684	47,758

Rupees in lakhs

Particulars	As at April 01, 2016	Incurred/Adjusted during the year	Capitalised /Adjusted	As at March 31, 2017
A. Assets under Construction	37,858	29,040	24,121	42,777
B. Expenditure pending allocation				
Expenses				
Interest and finance charges	6 247	-	-	6 247
Employee benefit expense:				
- Salaries and other costs	256	-	-	256
- Contribution to provident and other funds (Refer note 8)	12	-	-	12
- Gratuity and Leave encashment (Refer note 8)	9	-	-	9
Depreciation / Amortisation	20	-	-	20
Exchange loss (net)	1,189	-	-	1,189
Legal and professional charges (including shared service charges)	254	-	-	254
Other direct and incidental expenditure	1,238	-	-	1,238
Expenditure pending allocation	9,225	-	-	9,225
C. Construction stores	675			675
Total Capital Work in Progress (A+B+C)	47,758	29,040	24,121	52,677

4.2(a) Mining Properties - Overburden excavation expense:

Rupees in lakhs

Particulars	2016-17	2015-16
Fuel consumed	16,149	10,896
Stores and spares consumed	15,337	19,960
Employee benefit expense		
- Salaries and other costs	2,857	3,146
- Contribution to provident and other funds (Refer note 8)	90	85
- Leave encashment (Refer note 8)	11	31
Depreciation on mining assets	11 619	8,495
Mine development charges	2,177	99
Rent expense	82	114
Repair and Maintenance		
-Plant and Equipment	651	502
-Building	908	283
-Others	60	16
Legal and professional charges	30	92
Insurance	10	11
Travelling and conveyance	9	5
Other expenses	7,689	8,759
	57,878	52,495
Less : Transfer to Mining properties (Tangible assets)	(57,878)	(52,495)
Balance at the end of the year	-	-

4.3 Intangible assets

Rupees in lakhs

Particulars	Computer software	Mining rights	Total
Gross carrying amount			
Deemed cost as at April 01, 2015	53	3,102	3,155
Additions	2	-	2
Balance as at March 31, 2016	**55**	**3,102**	**3,157**
Accumulated amortisation			
Amortisation charge during the year	32	111	143
Balance as at March 31, 2016	**32**	**111**	**143**
Gross carrying amount			
Balance as at April 01, 2016	55	3,102	3,157
Additions	27	-	27
Balance as at March 31, 2017	**82**	**3,102**	**3,184**
Accumulated amortisation			
Balance as at April 01, 2016	32	111	143
Amortisation charge during the year	5	111	116
Balance as at March 31, 2017	**37**	**222**	**259**
Net carrying amount			
Net carrying amount as on April 01, 2015	53	3,102	3,155
Net carrying amount as on March 31, 2016	23	2,992	3,014
Net carrying amount as on March 31, 2017	45	2,880	2,925

Rupees in lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4.4 Non-current financial assets			
4.4(a) Margin money deposits			
Margin money deposits (against buyers credit, letter of credit etc)	12,365	4,554	15,877
	12,365	4,554	15,877
4.4(b) Other financial assets			
Derivative assets (Mark to Market) on derivative instruments (Net)	8,034	6,396	4,288
Security Deposits	2,871	2,874	4,286
	10,905	9,270	8,574
4.5 Deferred tax assets (net)			
Deferred tax assets (net) due to temporary differences [Refer note 14(d)]	42,019	7,001	2,479
	42,019	7,001	2,479
4.6 Other non-current assets			
(Unsecured and considered good unless stated otherwise)			
Capital advances	37,456	34,427	52,001
Advance recoverable in kind	274	302	271
Advance Income tax and tax deducted at source (net of provision for tax)	908	752	425
Balance with statutory authorities (includes VAT recoverable)	11,006	15,592	22,510
	49,644	51,073	75,207
4.7 Inventories			
Fuel	8,126	6,872	3,941
Stores and spares	49,783	33,714	24,936
	57,909	40,586	28,877
4.8 Current financial assets			
4.8(a) Investments			
Investments in Mutual Funds (Fair value through profit and loss)			
Unquoted			
Reliance liquidity fund - Direct Growth Plan Growth Option [Number of units Nil (March 31, 2016 : 297,508, April 01, 2015 : 3,359,128) face value of Rs. 1000 each]	-	6,794	70,795
Indiabulls liquid fund - Direct Growth [Number of units 1,583,575 (March 31, 2016 : Nil, April 01, 2015 : Nil) face value of Rs. 1000 each]	25,161	-	-
Reliance liquid fund - treasury plan - Direct Growth plan - Growth Option [Number of units Nil (March 31, 2016 : Nil, April 01, 2015 : 43,985) face value of Rs. 1000 each]	-	-	1,500
Reliance medium term fund -Direct Growth Plan - Growth Option [Number of units 61,417,599 (March 31, 2016 : 95,193,152, April 01, 2015 : Nil) face value of Rs. 10 each]	21,306	30,209	-
JM High Liquidity Fund (Direct) - Growth Option [Number of units 52,620,517 (March 31, 2016 : 60,426,320, April 01, 2015 : Nil) face value of Rs. 10 each]	23,423	25,037	-
SBI Magnum Insta Cash Fund - Regular Plan - Growth [Number of units 476,951 (March 31, 2016 : 754,463, April 01, 2015 : Nil) face value of Rs. 1000 each]	10,049	25,235	-
	79,939	87,275	72,295
Aggregate amount of unquoted investments	79,939	87,275	72,295
4.8(b) Trade receivables			
(Unsecured and considered good unless stated otherwise)			
Trade receivables [Receivable from related party (Refer note 10)]	63,389	185,034	99,438
	63,389	185,034	99,438

Rupees in lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4.8(c) Cash and cash equivalents			
Balance with banks:			
-In current accounts	2,449	42,478	1,088
-Deposit account with original maturity of less than three months	2,777	8,232	10,002
	5,226	50,710	11,090
4.8(d) Bank balances other than cash and cash equivalents			
Deposits with maturity of more than three months but less than twelve months	4,755	305	-
Margin money deposits (against buyers credit, letter of credit etc.)	-	24,492	-
	4,755	24,797	-
4.8(e) Other financial assets			
(Unsecured and considered good unless stated otherwise)			
Unbilled revenue (Refer note 19)	11,897	5,999	39,575
Advances to employees recoverable in cash	57	22	4
Advances to related party (Refer note 10)	6,110	-	-
Insurance claim receivable	1,755	-	669
	19,819	6,021	40,248
4.9 Other current assets			
(Unsecured and considered good unless stated otherwise)			
Advance recoverable in kind	8,487	7,548	6,818
Balance with government authorities	15,710	14,517	12,159
Prepaid expenses	1,833	1,605	834
	26,030	23,670	19,811

Rupees in lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4.10 Equity share capital			
Authorised			
5,000,000,000 (March 31, 2016 : 5,000,000,000, April 1 2015 : 5,000,000,000) equity shares of Rs 10 each	500,000	500,000	500,000
	500,000	500 000	500,000
Issued, subscribed and paid up capital			
43 710,750 (March 31 2016 : 43,710,750, April 1 2015 : 33,788,750) equity shares of Rs 10 each fully paid up	4,371	4,371	4,126
	4,371	4 371	4,126

4.10.1 Reconciliation of number of equity shares

Balance at the beginning of the year - 43,710,750 (April 01,2015: 41 260,750) shares of Rs 10 each	4,371	4,126
Add: Issued during the year - Nil (March 31, 2016: 2,450,000) shares of Rs.10 each	-	245
Balance at the end of the year - 43,710,750 (March 31, 2016. 43,710,750) shares of Rs.10 each	4,371	4 371

4.10.2 Rights, preference and restriction attached to equity shares

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

4.10.3 Equity shares held by Holding Company

Reliance Power Limited - Holding Company 43,710,750 (March 31, 2016 : 43,710,750, April 01, 2015 : 41,260,750) equity shares of Rs.10 each fully paid up [Out of the above, 7 (March 31, 2016 7, April 01, 2015 : 7) shares are jointly held by Reliance Power Limited and its nominees]	4,371	4,371	4,126
	4,371	4,371	4 126

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

	March 31, 2017 Nos of Shares	March 31, 2016 Nos of Shares	April 01, 2015 Nos of 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%	100%
Number of shares	43,710,750	43,710,750	41,260 750

		As at March 31, 2017	As at March 31, 2016	Rupees in lakhs As at April 01, 2015
	Other equity			
4.11	**Instruments entirely equity in nature**			
	Preference Shares	3,579	3,579	3,579
	Inter-corporate deposits	20,000	20,000	-
		23,579	23,579	3,579
4.11.1	**Preference Shares**			
	Authorised			
	1,000,000,000 (March 31, 2016 1,000,000,000, April 1, 2015 : 1,000,000,000) preference shares of Rs 10 each	100,000	100,000	100,000
		100,000	100,000	100,000
	Issued, subscribed and paid up			
	35,788,750 (March 31, 2016 35,788,750, April 1 2015 35,788,750) equity shares of Rs.10 each fully paid up	3,579	3,579	3,579
		3,579	3,579	3,579
4.11.2	**Reconciliation of number of preference shares**			
	Preference shares [refer note 4.11.3(a)]			
	Balance at the beginning of the year - 35,788,750 (March 31, 2016: 33,788,750) shares of Rs.10 each	3,579	3,579	
	Balance at the end of the year - 35,788,750 (March 31, 2016: 35,788,750) shares of Rs 10 each	3,579	3,579	

4.11.3 Rights, preference and restriction attached to Preference Shares and Inter corporate deposits

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

The Company has a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs 10 each at a premium of Rs. 990 per share If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.

b) Interest free Inter corporate deposit

Interest free Inter corporate deposit, repayable to holding company after repayment of rupee term loan at a mutually agreed date i.e on or after April 1, 2036

4.11.4 Preference Shares held by Holding Company

	March 31, 2017	March 31, 2016	April 01, 2015
Preference shares [refer note 4.11.3(a)]			
Reliance Power Limited - Holding Company 35,788,750 (March 31, 2016 : 35,788,750, April 1, 2015 : 35,788,750) preference shares of Rs 10 each fully paid up	3,579	3,579	3,579
	3,579	3,579	3,579

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

	March 31, 2017	March 31, 2016	April 01, 2015
Preference shares			
Preference shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company			
Percentage of holding in the class	100%	100%	100%
Number of shares	35,788,750	35,788,750	35,788,750

4.11.6 Movement of instruments entirely equity in nature

Preference shares	March 31, 2017	Rupees in lakhs March 31, 2016
Balance at the beginning of the year	3,579	3,579
Closing balance	3,579	3,579
Inter-corporate deposits		
Opening balance	20,000	-
Add : received during the year	-	20,000
Closing balance	20,000	20,000
Total	23,579	23,579

Rupees in lakhs

		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4.12	**Reserves and surplus**			
	Balance at the end of the year			
	Securities premium account	786,550	786,550	762,295
	Retained earnings	63,833	47,424	53,998
	Total reserves and surplus	850,383	833,974	816,293
4.12.1	**Securities premium account**			
	Opening balance	786,550	762,295	
	Add: Equity shares issued during the year	-	24,255	
	Closing balance	786,550	786,550	
4.12.2	**Retained earnings**			
	Balance at the beginning of the year	47,424	53,998	
	Net profit / (loss) for the year	16,446	(6,459)	
	Other comprehensive income	(37)	(115)	
	Closing balance	63,833	47,424	
		850,383	833,974	

Nature and purpose of reserves

Securities premium account

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

	As at March 31, 2017	As at March 31, 2016	Rupees in lakhs As at April 01, 2015
4.13 Non-current financial liabilities			
4.13(a) Non-current borrowings			
At amortised cost			
Secured			
Term loans.			
Rupee loans from banks	535,591	375,125	348,476
Foreign currency loans from banks	155,762	388,104	364,732
Rupee loans from financial institutions / other parties	376,076	399,680	332,526
Foreign currency loans from financial institutions / other parties	466,649	517,941	526,586
	1,534,078	1,680,850	1,572,320

4.13(a1) Nature of security for term loans

a) Term loans from all banks, financial Institution/other parties of Rs. 1,620,167 lakhs (March 31, 2016: Rs. 1,736,674 lakhs, April 1, 2015 Rs 1,697,467 lakhs) is secured / to be secured by first charge on all the Immovable and movable assets and intangible asset of the Company and pledge of 100% of the total issued share capital of the Company held by the Holding Company on pari passu basis with working capital lenders permitted bank guarantee providers and hedge counterparties.

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

c) Current maturities of long term borrowings have been classified as other current financial liabilities (refer note 4 16(c))

4.13(a2) Terms of Repayment and Interest

a) Rupee Term Loan outstanding as at the year end of Rs. 540,401 lakhs (March 31, 2016 : Rs. 390,680 lakhs, April 1, 2015 Rs. 385,535 lakhs) has been obtained from banks for the project. Earlier 50% of the loan was repayable in 40 quarterly installements and remaining 50% in one single bullet payment at the end of ten years from March 31 2015 was subsequently restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly installments commenced from December 31, 2015 and carry an interest rate of 12 25% per annum payable on a monthly basis

b) The foreign currency loan from banks outstanding as at the year end of Rs. 155,762 lakhs (March 31, 2016 : Rs. 388,104 lakhs, April 1, 2015: Rs. 364,732 lakhs) are in the nature of buyer's credit availed in foreign currency to be refinanced through long term rupee term loans and carry an interest rate of USD LIBOR plus 50 basis points.

c) Rupee Term Loan outstanding as at the year end of Rs. 111,828 lakhs (March 31, 2016 : Rs. 113,690 lakhs, April 1, 2015: Rs 111,130 lakhs) has been obtained from financial institutions for the project. Earlier 50% of the loan was repayable in 40 quarterly installments and remaining 50% in one single bullet payment at the end of ten years form March 31, 2015 was subsequently restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly installments commenced from December 31, 2015 and carry an interest rate of 12.25% per annum payable on a monthly basis.

d) Rupee Term Loan outstanding as at the year end of Rs. 291,264 lakhs (March 31, 2016 : Rs 295,842 lakhs, April 1, 2015: Rs 249,820 lakhs) has been obtained from financial institutions for the project. Earlier the loan was repayable in 60 quarterly instalments starting form March 31, 2015 which has now been restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly instalments commenced from October 15, 2015 and carry an interest rate of 13 00% to 13.50% per annum payable on a quarterly basis.

e) 50 % of Foreign Currency Loan from financial Institutions/other parties outstanding as at the year end of Rs. 207,436 lakhs (March 31, 2016 : Rs. 227,207 lakhs, April 1 2015 Rs. 226,178 lakhs) is repayable in 40 quarterly instalments commenced from March 31, 2015. Remaining 50% is repayable in one single bullet at the end of ten years from March 31, 2015 and carry an interest rate of USD LIBOR plus 305 basis points per annum payable on a monthly basis.

f) Foreign currency loan from financial institution / other parties outstanding as at the year end of Rs 267,084 lakhs (March 31, 2016 : Rs 298,794 lakhs, April 1, 2015: Rs. 306,050 lakhs) is repayable in 24 semi-annual instalments commenced from March 20, 2015 and carry fixed interest rate of 3.66% per annum payable on a semi annual basis.

g) Foreign currency loan from financial institution / other parties outstanding as at the year end of Rs 46,391 lakhs (March 31, 2016 : Rs. 52,357 lakhs, April 1 2015 Rs 54,022 lakhs) is repayable in 19 semi-annual instalments commenced from March 20, 2015 and carry an interest rate of USD LIBOR plus 4 percent per annum payable on a semi annual basis.

4.13(a3) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 16,894 lakhs (March 31, 2016 Rs. 18,078 lakhs, April 01, 2015 Rs. 20,085 lakhs).

4.13(b) Other non-current financial liabilities

Retention money payable (Refer note 10)	-	-	111,526
Creditors for capital expenditure	-	-	302
Derivative liability (Mark to Market) on derivative instruments	7,494	378	-
	7,494	378	111,828

Rupees in lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4.14 Non-current provisions			
Provision for gratuity (Refer note 8)	514	292	47
Provision for leave encashment (Refer note 8)	482	373	308
Provision for mine closure expenses [Refer note 12 (i)]	934	724	550
Others	220	1,488	1,724
	2,150	2,877	2,629
4.15 Other non-current liabilities			
Government Grant (Refer note 13)	176,241	190,399	200,161
	176,241	190,399	200,161
4.16 Current financial liabilities			
4.16(a) Current borrowings			
At amortised cost			
Secured			
Cash credit facility from banks	50,349	47,530	-
Nature of security, interest and terms of repayment: - Cash credit facility is secured / to be secured by first charge on all current and fixed assets of the Company and pledge of 100% of the total issued share capital of the Company held by the Holding Company on pari passu basis with term loan lenders, permitted bank guarantee providers and hedge counterparties - Cash Credit facility carry an average interest rate of 11% per annum.			
Unsecured			
Inter-corporate deposits from Holding Company (Refer note 10) (Interest free inter corporate deposit, repayable within one year)	-	-	14,000
	50,349	47,530	14,000
4.16(b) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises (Refer note 21)	-	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	20,019	13,057	410
	20,019	13,057	410
4.16(c) Other current financial liabilities			
Current maturities of long-term borrowings [Refer note 4.13(a1) and 4.13(a2)]	69,194	67,744	105,062
Interest accrued but not due on borrowings	5,735	5,637	4,054
Security deposits received	161	336	148
Creditors for capital expenditure including payable to related parties (Refer note 10)	11,026	33,538	43,756
Retention money payable including payable to related parties (Refer note 10)	105,133	96,294	1,998
Dues to Holding Company (Refer note 10)	-	1,096	5,053
Dues to Fellow Subsidiary (Refer note 10)	-	490	1,716
Creditors for supplies and services	2,264	2,964	-
Derivative financial instruments	13,334	4,246	4,670
Employee benefits payable	1,814	1,807	1,208
	208,661	214,152	167,665
4.17 Other current liabilities			
Government grant (Refer note 13)	14,228	11,416	10,392
Statutory dues (including electricity duty and energy development cess, provident fund etc)	43,602	53,591	26,723
Advance from customers	4,561	-	-
	62,391	65,007	37,115
4.18 Current provisions			
Provision for leave encashment (Refer note 8)	91	111	44
Provision for regulatory matters (Refer note 23)	-	-	90,617
	91	111	90,661

Rupees in lakhs

	Year ended March 31, 2017	Year ended March 31, 2016
4.19 Revenue from operations		
Sale of energy	486,114	466,310
Interest from customer on delayed payments [including interest from related party (Refer note 10)]	5,581	-
	491,695	466,310
4.20 Other income		
Interest income on financial assets measured at amortised cost :		
Bank deposits	1,784	1,598
Dividend income from investments mandatorily measured at FVPL :		
Investment in mutual funds	-	153
Fair value gain on investments mandatorily measured at FVPL :		
Investment in mutual funds	2,240	1,019
Net Gain on sale of financial assets mandatorily measured at fair value :		
Investment in mutual funds	6,089	6,595
Net Gain on disposal of property, plant and equipment	462	-
Government grants (Refer note 13)	11,416	10,392
Gain on foreign exchange fluctuations (Net)	5,677	-
Provision no longer required written back (Refer note 10 and 23)	-	1,608
Other non-operating income	1,558	875
	29,226	22,240
4.21 Cost of fuel consumed		
Opening balance of fuel	6,872	3,941
Amortisation of mining properties	54,248	62,920
Taxes and duties	112,498	77,431
Fuel consumed	3,008	5,241
Stores and spares consumed	297	3,258
Depreciation	981	1,092
Other expenses	4,785	1,748
Less : Closing balance of fuel	8,126	6,872
	174,563	148,759
4.22 Employee benefits expense		
Salaries, bonus and other allowances	7,620	7,044
Contribution to provident fund and other funds (Refer Note 8)	313	282
Gratuity (Refer Note 8)	186	126
Leave encashment	200	192
Staff welfare expenses	313	163
	8,632	7,807

	Year ended March 31, 2017	Year ended March 31, 2016
		Rupees in lakhs
4.23 Finance cost		
Interest and finance expense on financial liabilities measured at amortised cost :		
On Rupee term loans	106,437	92,828
On Foreign currency loans	29,923	28,750
On Working capital loans	3,020	2,319
On Unwinding of interest on retention money	-	14,777
Unwinding of discount on mine closure provision (Refer note 12)	96	75
Net loss on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	18,966	3,205
Other finance charges	3,229	3,504
	161,671	145,458
4.24 Generation, administration and other expenses		
Stores and spares consumed	4,534	8,482
Rent expenses	501	300
Repairs and maintenance		
- Plant and equipment	5,251	4,151
- Building	299	344
- Others	1,415	1,982
Legal and professional charges (including shared service charges) (Refer note 10)	2,692	3,793
Travelling and conveyance	1,193	1,416
Rates and taxes	143	755
Insurance	6,107	4,051
Water Charges	4,553	5,738
Electricity duty and energy development cess	28,868	32,842
Receivables written-off (Refer note 23)	3,498	-
Expenditure towards Corporate Social Responsibilities (Refer note 20)	8	7
Miscellaneous expenses	3,907	1,569
	62,969	65,430

5) Contingent liabilities and commitments:

a) The Company has received claims amounting to Rs. 3,485 lakhs (March 31, 2016 Rs.3,485 lakhs; April 01, 2015 Rs.3,485 lakhs) from a contractor towards deductions made by the Company due to non-performance of certain obligations under the terms of arrangement for the construction of certain works. The matter is under dispute and appointment of arbitrator / Arbitral Tribunal is under process.

b) The Company has received claims amounting to Rs.16,127 lakhs (March 31, 2016: Rs.12,252 lakhs; April 01, 2015: Rs.11,560 lakhs) from a party towards consultancy and advisory services provided by them. As per the terms of arrangement between both the parties, the same would be settled by an arbitration process. There was a dispute regarding validity and enforceability of arbitration agreement, which has been settled by the Hon'ble Supreme Court. Presently, the Arbitral Tribunal has been constituted and the matter is pending before the Tribunal.

c) The Company has received a claim of Rs. 2,568 lakhs (March 31, 2016: Rs.1,326 lakhs; April 01, 2015: Rs. Nil) from some of the procurers alleging delay in achievement of commercial operation of first and second unit, which has been disputed by the Company and is pending before the High Courts.

d) The Company has disputed the quantification of the demand for payment of tax on annual value of mineral bearing land amounting to Rs.8,065 lakhs (March 31, 2016: Rs. Nil; April 01, 2015: Rs. Nil) from District Authorities under Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam (MPGSTVA) and hence the same is deposited as per quantification done by the Company. The said matter is pending before the Hon'ble High Court.

e) Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs.98,550 lakhs (March 31, 2016 Rs.26,195 lakhs; April 01, 2015:Rs.34,530 lakhs).

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

The Company has capitalised / adjusted the value of PPE with an amount of Rs 2,372 lakhs (March 31, 2016: Rs 58,226 lakhs) arising on settlement or reinstatement of the long term foreign currency monetary items outstanding as of March 31, 2016. Refer note 2.1(p) above for the policy.

7) Details of remuneration to auditors:

Rupees in lakhs

	Year ended March 31, 2017	Year ended March 31, 2016
(a) As auditors		
For statutory audit	112	100
For others	29	77
(b) Out-of-pocket expenses	2	3

8) **Employee Benefit Obligations**

The Company has classified various employee benefits as under:

a) **Leave obligations**

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

Rupees in lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
Current*	91	111	44
Non-current	482	373	308

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

b) **Defined contribution plans**

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

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

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

Rupees in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to provident fund	281	217
Contribution to employees' superannuation fund	6	11
Contribution to employees' deposit linked insurance scheme	6	5
Contribution to employees' pension scheme 1995	110	134

c) **Post employment obligation**

Gratuity:

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

(i) **Significant estimates: actuarial assumptions**

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

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate (per annum)	7.05%	7.80%	7.85%
Rate of increase in compensation levels	7.50%	7.50%	7.00%
Rate of return on plan assets	7.05%	8.25%	8.25%
Expected average remaining working lives of employees in number of years	10.22	10.09	11.15

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

(ii) Gratuity Plan

Rupees in lakhs

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2015	**342**	**(295)**	**47**
Current service cost	125	-	125
Interest on net defined benefit liability/assets	26	(24)	2
Total amount recognised in Statement of Profit and Loss / overburden excavation expenses	**151**	**(24)**	**127**
Remeasurements during the year			
Return on plan assets, excluding amount included in interest expense/(income)	-	21	21
(Gain) / loss from change in financial assumptions	3	-	3
Experience (gains) / losses	91	-	91
Total amount recognised in Other Comprehensive Income	**94**	**21**	**115**
Liabilities assumed/(settled)	3	-	3
Benefit payments	(38)	38	-
As at March 31, 2016	**552**	**(260)**	**292**

Rupees in lakhs

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2016	**552**	**(260)**	**292**
Current service cost	165	-	165
Interest on net defined benefit liability/assets	42	(21)	21
Total amount recognised in Statement of Profit and Loss / overburden excavation expenses	**207**	**(21)**	**186**
Remeasurements during the year			
Return on plan assets, excluding amount included in interest expense/(income)	-	(6)	(6)
(Gain) / loss from change in financial assumptions	69	-	69
Experience (gains) / losses	(26)	-	(26)
Total amount recognised in Other Comprehensive Income	**43**	**(6)**	**37**
Liabilities assumed/(settled)	-	-	-
Benefit payments	(45)	45	-
As at March 31, 2017	**757**	**(242)**	**514**

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

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Present value of funded obligations	756	552	342
Fair value of plan assets	(242)	(260)	(295)
Deficit of funded plan	**514**	**292**	**47**

(iii) Sensitivity analysis:

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

Particulars	Change in assumptions		Impact on closing balance of provision of defined benefit obligations			
			Increase in assumptions		Decrease in assumptions	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Discount rate	50 bps	50 bps	(6.20%)	(5.95%)	6.82%	6.53%
Rate of increase in compensation levels	50 bps	50 bps	6.75%	6.51%	(6.20%)	(5.99%)

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

(iv) The above defined benefit gratuity plan administrated 100% by Reliance Nippon Life Insurance Company Limited as at March 31, 2017, March 31, 2016 as well as April 01, 2015.

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

(v) Defined benefit liability and employer contributions:

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

Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are Rs. 50 lakhs.

The weighted average duration of the defined benefit obligation is 12.99 years (2016 – 12.46 years, 2015- 12.49 years).

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

9) Assets pledged as security

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Non-current			
First charge			
Financial assets			
Margin money deposit	12,365	4,554	15,877
Other financial assets	10,905	9,270	8,574
Non-financial assets			
Property, plant and equipment	2,512,205	2,535,522	2,370,392
Capital work-in-progress	52,677	47,758	273,344
Intangible assets	2,925	3,014	3,155
Other non-current assets	49,644	51,073	75,207
Total non-current assets pledged as security (A)	**2,640,721**	**2,651,191**	**2,746,549**
Current			
First charge			
Financial assets			
Investments	79,939	87,275	72,295
Trade receivables	63,389	185,034	99,438
Cash and bank balances	9,981	75,507	11,090
Other financial assets	19,819	6,021	40,248
Non-financial assets			
Inventories	57,909	40,586	28,877
Other current assets	26,030	23,670	19,811
Total Current assets pledged as security (B)	**257,067**	**418,093**	**271,759**
Total assets pledged as security (A+B)	**2,897,788**	**3,069,284**	**3,018,308**

10) **Related party transactions:**

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

A) **Parties where control exists:**

Holding company
Reliance Power Limited (R Power)

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

<u>Companies</u>

Reliance Infrastructure Limited (R Infra)

<u>Individual</u>

Shri Anil D. Ambani

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

i) Key Management Personnel

a) Shri Arvind Singh, Chief Financial Officer (w.e.f February 7,2017)
b) Shri Laxmi Dutt Vyas, Chief Financial Officer (upto January 27,2017)
c) Shri Asim Kumar De, Chief Executive Officer (upto December 01,2016)

ii) Fellow Subsidiary

a) Reliance Coal Resources Private Limited (RCRL)
b) Rosa Power Supply Company Limited (RPSL)
c) Vidarbha Industries Power Limited (VIPL)
d) Rajasthan Sun Technique Energy Private Limited (RSTEPL)
e) Jharkhand Integrated Power Limited (JIPL)
f) Coastal Andhra Power Limited (CAPL)
g) Dhursar Solar Power Private Limited (DSPPL)
h) Reliance Natural Resources Limited (RNRL)
i) Chitrangi Power Private Limited (CPPL)
j) Samalkot Power Limited (SMPL)

iii) Company over which companies/ individual described in clause B above have control / significant influence

a) Reliance General Insurance company Limited (RGIL)
b) Reliance Communication Infra Limited (RCIL)
c) Reliance Infocomm Infrastructure Limited (RIIPL)
d) BSES Rajdhani Power Limited (BRPL)
e) BSES Yamuna Power Limited (BYPL)

D) Details of transactions and closing balances:

(i) Transactions during the year:

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016
Sale of energy		
BRPL (net of rebate)	7,103	8,986
BYPL (net of rebate)	29,206	26,586
Other operating revenue		
BRPL	264	-
BYPL	2,693	-
Legal and Professional Fees(including shared service charges)		
R Power	115	1,412
Insurance premium		
RGIL	6,676	4,824
Insurance claim received / accrued		
RGIL	7.110	7.215
Reimbursement of expenditure paid by		
R Power	485	1,050
VIPL	-	2
RCRL	-	15
RPSL	-	2
RNRL	-	490
Reimbursement of expenditure paid for		
CPPL	-	8
VIPL	-	1
RPSL	-	2
CAPL	-	9
DSPPL	-	1
JIPL	-	29
BRPL	2	3
BYPL	6	10
Material/Services received		
R Infra	16,685	99,526
Assets acquired		
CAPL	5	1
JIPL	-	5
Inter Corporate deposits received		
R Power	-	32,043
Inter Corporate deposits refunded		
R Power	-	1,543

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016
Provisions written back		
BRPL	-	2,761
BYPL	-	4,317
Trade receivable written off (Refer note 23)		
BRPL	2,816	-
BYPL	4,412	-
Advance paid		
R Power	6,110	-
R Infra	26,003	20,959
Remuneration to Key Management Personnel		
- Short term employee benefits	154	143
- Post-employment defined benefits	4	1
- Leave encashment	16	1

(ii) **Outstanding closing balances:**

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Capital advance			
R Infra	30,966	28,156	45,779
Trade receivables and unbilled revenue			
BRPL	1,948	3,035	959
BYPL	12,875	13,724	4,625
Advance recoverable in cash			
R Power	6,110	-	-
Advance recoverable in kind			
R Infra	-	-	6,002
Insurance claim receivable			
RGIL	1,755	-	669
Equity Share Capital (excluding premium)			
R Power	4,371	4,371	4,126
Preference Share Capital (excluding premium)			
R Power	3,579	3,579	3,579
Inter-corporate deposit			
R Power	20,000	20,000	14,000
Retention money			
R Infra	565	7,197	46,023

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Other current financial liabilities			
R Power	-	1,096	5,053
RNRL	-	489	1,177
RPSL	-	-	23
SMPL	-	-	492
CAPL	-	-	23
RCRL	-	-	1
VIPL	-	-	1
RIIPL	256	251	251
Advance from customer			
BRPL	2,098	-	-
Creditors for capital expenditure			
R Infra	-	-	1,785
Current provisions (provision for regulatory matters)			
BRPL	-	-	4,317
BYPL	-	-	2,761
Guarantees issued on behalf of the Company			
R Power	14,375	16,889	51,448

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

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

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

11) Earnings per share:

	March 31, 2017	March 31, 2016
Profit / (loss) available to equity shareholders (Rupees in lakhs) (A)	16,446	(6,459)
Number of equity shares		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	43,710,750	42,305,012
Add: Adjustments on account of compulsory convertible redeemable Non-cumulative Preference Shares (Nos.)	35,788,750	35,788,750
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	79,499,500	78,093,762
Basic earnings / (loss) per share (A / B) (Rs.)	37.62	(15.27)
Diluted earnings / (loss) per share (A / C) (Rs.)	20.69	(15.27)[1]
Nominal value of an equity share (Rs.)	10.00	10.00

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

12) **Provision for mine closure obligation**

Rupees in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as at beginning of the year	724	550
Additions	114	99
Amount used/reversed	-	-
Unwinding of discount	96	75
Balance as at the end of the year	**934**	**724**

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

13) **Government grants**

Exemption granted by Government of India to Ultra-mega power projects under the Customs Act, 1962 ('the Act') are recognised at their fair value as Government Grant. (Refer note 3c(vii) and note 2.1(t).

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

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016
Opening balance	201,815	210,553
Grants during the year	70	1,654
Released to profit and loss	(11,416)	(10,392)
Closing balance	**190,469**	**201,815**

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016
Current portion	14,228	11,416
Non-current portion	176,241	190,399

14) Income taxes

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

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

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016
(i) Income Tax expense		
Current year tax	-	-
Income tax for earlier years	-	(8)
Total	**-**	**(8)**
(ii) Deferred tax		
Decrease (increase) in deferred tax assets	(35,018)	(4,523)
(Decrease) increase in deferred tax liabilities	-	-
Total	**(35,018)**	**(4,523)**
Total income tax expense (i)+(ii)	**(35,018)**	**(4,531)**

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

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016
Profit before tax	(18,572)	(10,990)
Tax at the Indian tax rate of 34.608% (2015-16 : 34.608%)	(6,427)	(3,803)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
- Deferred tax asset on account of temporary differences getting reversed during tax holiday period	(28,591)	(720)
Income tax expense	**(35,018)**	**(4,523)**

(c) Non-current tax assets:

Rupees in lakhs

Particulars	31 March 2017	31 March 2016
Opening balance	752	425
Add: Current tax payable for the year	-	-
Less: Taxes paid	156	327
Closing balance	**908**	**752**

(d) Deferred tax balances:

The balance comprises temporary differences attributable to

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax assets / (liabilities)			
Property, Plant and Equipment	(9,183)	(54,798)	(68,556)
Government Grant	55,996	67,624	72,872
Borrowings – Transaction cost	(4,794)	(5,825)	(6,951)
Retention money	-	-	5,114
Net deferred tax Assets	**42,019**	**7,001**	**2,479**

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

Rupees in lakhs

Particulars	Property, Plant and equipment	Government Grant	Other items	Total
At April 01, 2015	(68,556)	72,872	(1,837)	**2 ,479**
(Charged)/credited to to profit and loss	13,578	(5,248)	(3,988)	4,522
At March 31, 2016	**(54,798)**	**67,624**	**(5,825)**	**7,001**
(Charged)/credited to to profit and loss	45,615	(11,628)	1,031	35,018
At March 31, 2017	**(9,183)**	**55,996**	**(4,794)**	**42,019**

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

15) Fair value measurements

(a) Financial instruments by category

Rupees in lakhs

Particulars	Note	March 31, 2017		March 31, 2016		April 01, 2015	
		FVPL	Amortized cost	FVPL	Amortized cost	FVPL	Amortized cost
Financial assets							
Margin money deposits	4.4(a)	-	12,365	-	4,554	-	15,877
Derivative assets	4.4(b)	8,034	-	6,396	-	4,288	-
Security Deposits	4.4(b)	-	2,871	-	2,874	-	4,286
Investment in mutual funds – Growth plan	4.8(a)	79,939	-	87,275	-	72,295	-
Trade receivables	4.8(b)	-	63,389	-	185,034	-	99,438
Cash and cash equivalents	4.8(c)	-	5,226	-	50,710	-	11,090
Bank balances other than cash and cash equivalent	4.8(d)	-	4,755	-	24,797	-	-
Unbilled Revenue	4.8(e)	-	11,897	-	5,999	-	39,575
Loans to employees	4.8(e)	-	57	-	22	-	4
Insurance Claim receivable	4.8(e)	-	1,755	-	-	-	669
Advances to related parties	4.8(e)		6110	-	-	-	-
Total financial assets		**87,973**	**108,425**	**93,671**	**273,990**	**76,583**	**170,939**
Financial liabilities							
Borrowings (Refer note1 below)		-	1,659,356	-	1,801,761	-	1,695,436
Retention money payable	4.13(b) & 4.16(c)	-	105,133	-	96,294	-	113,524
Creditors for capital expenditure	4.13(b) & 4.16(c)	-	11,026	-	33,538	-	44,058
Derivative liability	4.13(b) & 4.16(c)	20,828	-	4,624	-	4,670	-
Trade payables	4.16(b)	-	20,019	-	13,057	-	410
Security deposits	4.16(c)	-	161	-	336	-	148
Dues to holding Company	4.16(c)	-	-	-	1,096	-	5,053
Dues to fellow Subsidiary	4.16(c)	-	-	-	490	-	1,716
Creditors for supplies and services	4.16(c)	-	2,264	-	2,964	-	-
Employee benefits payable	4.16(c)	-	1,814	-	1,807	-	1,208
Total financial liabilities		**20,828**	**1,799,773**	**4,624**	**1,951,343**	**4,670**	**1,861,553**

Note - Composition of items included in borrowings above.

Note 1 – Borrowings

Rupees in lakhs

Particulars	Notes	March 31, 2017	March 31, 2016	April 01, 2015
Long term borrowings	4.13(a)	1,534,078	1,680,850	1,572,320
Short term borrowings	4.16(a)	50,349	47,530	14,000
Current Maturity of long term borrowings	4.16(c)	69,194	67,744	105,062
Interest accrued but not due on borrowings	4.16(c)	5,735	5,637	4,054
Total		**1,659,356**	**1,801,761**	**1,695,436**

(b) Fair value hierarchy

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

Rupees in lakhs

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017	**Level 2**	**Level 3**	**Total**
Financial assets at FVPL			
Derivatives	8,034	-	8,034
Mutual funds - Growth plan	79,939	-	79,939
Total financial assets	**87,973**	-	**87,973**
Financial liabilities at FVPL			
Derivatives	20,828	-	20,828
Total financial liablities	**20,828**	-	**20,828**

Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2017	**Level 2**	**Level 3**	**Total**
Financial assets			
Non-current bank balance	12,365	-	12,365
Security Deposits	-	2,871	2,871
Total financial assets	**12,365**	**2,871**	**15,236**
Financial liabilities			
Borrowings	1,613,223	-	1,613,223
Retention money payable	-	-	-
Creditors for capital expenditure	-	-	-
Total financial liabilities	**1,613,223**	-	**1,613,223**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2016	**Level 2**	**Level 3**	**Total**
Financial assets at FVPL			
Derivatives	6,396	-	6,396
Mutual funds - Growth plan	87,275	-	87,275
Total financial assets	**93,671**	-	**93,671**
Financial liabilities at FVPL			
Derivatives	4,624	-	4,624
Total financial liabilities	**4,624**	-	**4,624**

Rupees in lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2016	Level 2	Level 3	Total
Financial assets			
Non-current bank balance	4,554	-	4,554
Security Deposits	-	2,874	2,874
Total financial assets	**4,554**	**2,874**	**7,428**
Financial liabilities			
Borrowings	1,789,791	-	1,789,791
Total financial liabilities	**1,789,791**	-	**1,789,791**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at April 01, 2015	Level 2	Level 3	Total
Financial assets at FVPL			
Derivatives	4,288	-	4,288
Mutual funds - Growth plan	72,295		72,295
Total financial assets	**76,583**	-	**76,583**
Financial liabilities at FVPL			
Derivatives	4,670	-	4,670
Total financial liabilities	**4,670**		**4,670**

Assets and liabilities which are measured at amortized cost for which fair values are disclose as at April 01, 2015	Level 2	Level 3	Total
Financial assets			
Non-current bank balance	15,877	-	15,877
Security Deposits	-	4,286	4,286
Total financial assets	**15,877**	**4,286**	**20,163**
Financial liabilities			
Borrowings	1,694,715	-	1,694,715
Retention money payable	-	111,526	111,526
Creditors for capital expenditure	-	302	302
Total financial liabilities	**1,694,715**	**111,828**	**1,806,543**

(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.

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

Specific valuation techniques used to value financial instruments include:

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

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

Rupees in lakhs

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair Value
Financial assets						
Non-current bank balances	12,365	12,365	4,554	4,554	15,877	15,877
Security Deposits	2,871	2,871	2,874	2,874	4,286	4,286
Total financial assets	**15,236**	**15,236**	**7,428**	**7,428**	**20,163**	**20,163**
Financial Liabilities						
Borrowings*	1,609,007	1,613,223	1 754,231	1,789,791	1,681,436	1,694,715
Retention money payable	-	-	-	-	111,526	111,526
Creditors for capital expenditure	-	-	-	-	302	302
Total financial liabilities	**1,609,007**	**1,613,223**	**1,754,231**	**1,789,791**	**1,793,264**	**1,806,543**

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

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

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

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

Note

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

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

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

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.

16) Financial risk management

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

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

(a) Credit risk

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

Credit risk management

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

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

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

(a) Trade receivables

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

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

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and unbilled revenue as disclosed in note 4.8(b) and note 4.8(e).

(b) Other financial assets

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and bank balances including fixed deposits, derivative instruments, security deposits, advances to employees and related parties, the Companies exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments on the reporting date as disclosed in note 4.4(a), 4.4(b), 4.8(c), 4.8(d) and 4.8(e). The Company limits its counter party risk on the assets by dealing with banks/FI which are high rated. Further, there is no credit risk perceived pertaining to investments, advances given to related party and employees, derivative instruments and security deposits as disclosed in note 4.4(b) and note 4.7(e).

(b) Liquidity risk

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

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

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

(i) Maturities of financial liabilities

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

Rupees in lakhs

March 31, 2017	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Non-derivatives				
Borrowings*	257,329	1,012,108	1,656,757	2,926,194
Retention money payable	105,133	-	-	105,133
Creditors for capital expenditure	11,026	-	-	11,026
Trade payables	20,019	-	-	20,019
Security deposits received	161	-	-	161
Creditors for supplies and services	2,264	-	-	2,264
Employee benefit payable	1,814	-	-	1,814
Total non-derivative liabilities	**397,746**	**1,012,108**	**1,656,757**	**3,066,611**
Derivatives				
Interest rate swaps used for hedging	-	-	-	-
Forward exchange contracts used for hedging:				
Outflow	162,867	-	98,501	261,368
Inflow	(149,307)	-	(86,888)	(236,195)
Total derivative liabilities	**13,560**	**-**	**11,613**	**25,173**

Rupees in lakhs

March 31, 2016	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Non-derivatives				
Borrowings*	239,623	1,168,370	1,493,604	2,901,597
Retention money payable	96,294	-	-	96 294
Creditors for capital expenditure	33,538	-	-	33,538
Trade payables	13,057	-	-	13,057
Security deposits received	336	-	-	336
Dues to Holding Company	1,096	-	-	1,096
Dues to Fellow Subsidiary	490	-	-	490
Creditors for supplies and services	2,964	-	-	2,964
Employee benefit payable	1,807	-	-	1,807
Total non-derivative liabilities	**389,205**	**1,168,370**	**1,493,604**	**3,051,179**
Derivatives				
Interest rate swaps used for hedging	962	1,485	43	2 490
Forward exchange contracts used for hedging.				
Outflow	334,197	-	98,501	432,698
Inflow	(329,132)	-	(97,918)	(427,050)
Total derivative liabilities	**6,027**	**1,485**	**626**	**8,138**

Rupees in lakhs

April 01, 2015	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Non-derivatives				
Borrowings*	236,246	1,144,888	1,057,635	2,438,769
Retention money payable	1,998	126,303	-	128,301
Creditors for capital expenditure	43,756	302	-	44,058
Trade payables	410	-	-	410
Security deposits received	148	-	-	148
Dues to Holding Company	5,053	-	-	5,053
Dues to Fellow Subsidiary	1,716	-	-	1,716
Employee benefit payable	1,208	-	-	1,208
Total non-derivative liabilities	**290,535**	**1,271,493**	**1,057,635**	**2,619,663**
Derivatives				
Interest rate swaps used for hedging	365	237	(127)	475
Forward exchange contracts used for hedging:				
Outflow	124,292	-	-	124,292
Inflow	(119,472)	-	-	(119,472)
Total derivative liabilities	**5,185**	**237**	**(127)**	**5,295**

* Borrowing includes interest for future period.

(c) Market risk

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

(i) Foreign currency risk

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

Foreign currency risk exposure:

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

Rupees in lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
Financial liabilities			
Borrowings	677,902	968,174	952,810
Import payables	104,402	112,670	118,297
Gross foreign currency exposure	**782,304**	**1,080,844**	**1,071,107**
Covered by derivatives			
Forward contracts	(212,277)	(391,111)	(116,294)
Call spread	(191,922)	(281,821)	(381,303)
Seagull options	-	-	(84,602)
Net exposure to foreign currency risk	**378,105**	**407,912**	**488,908**

Sensitivity of foreign currency exposure

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

Rupees in lakhs

Impact on profit before tax / PPE	March 31, 2017	March 31, 2016
USD sensitivity		
INR/USD -Increase by 6% (March 31, 2016- 6%)*	(31,556)	(42,534)
INR/USD -Decrease by 6% (March 31, 2016- 6%)*	30,494	42,899

* Holding all other variables constant

(ii) Interest rate risk

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

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

Interest rate risk exposure

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

Rupees in lakhs

	March 31, 2017	March 31, 2016	April 01,2015
Variable rate borrowings	1,403,432	1,515,410	1,391,417

Sensitivity of Interest

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

Rupees in lakhs

Particulars	Impact on profit before tax March 31, 2017	Impact on profit before tax March 31, 2016
USD sensitivity		
Interest cost – increase by 5% on existing interest cost *	(5,612)	(5,274)
Interest cost – decrease by 5% on existing interest cost *	5,612	5,274

* Holding all other variables constant

17) Capital Management

(a) Risk Management

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

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

Rupees in lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Debt	1,653,621	1,796,124	1,691,382
Equity	878,333	861,924	823,998
Total	**2,531,954**	**2,658,048**	**2,515,380**

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

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

Information about major customers

Revenue for the years ended March 31, 2017 and March 31, 2016 were from customers located in India.
Customers include government controlled public electricity distribution entities as well as private distribution entities

Rupees in lakhs

Customer name	March 31, 2017 Revenue	March 31, 2017 % age of total revenue	March 31, 2016 Revenue	March 31, 2016 % age of total revenue
MP Power Management Company Limited	191,319	38%	184,012	39%
Punjab State Power Corporation Limited	72,569	15%	65,549	14%

19) Revenue Recognition:

Based on appeal filed with APTEL and as legally advised , the Company has recognized revenue of Rs. 8,517 lakhs towards carrying cost for certain expenditure claimed by the Company as per the terms of the PPA under "change in law" and which were also allowed as pass through expenditure by the CERC. The said carrying cost has been adjusted to PPE and Statement of Profit and Loss based on related cost pertaining to period, under construction and during operations of plant.

The Company has not billed revenue amounting to Rs. 8,517 lakhs and is disclosed as "Unbilled Revenue" under the head "Other Current Financial Assets".

20) As per the section 135 of the Companies Act, 2013, the Comoany is required to incur an expenditure of Rs.6 lakhs (March 31 2016 Rs 5 lakhs) being 2% of the average profit during the three immediately preceding years towards Corporate Social Responsibility, calculated in the manner as stated in the Act. Accordingly the Company has spent Rs.8 lakhs (March 31, 2016.Rs.7 lakhs) towards promotion of education, healthcare and sanitation during the financial year.

21) Offsetting of financial assets and financial liabilities

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

Rupees in lakhs

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

Rupees in lakhs

Particulars	Gross amounts	Gross amount sett-off in balance sheet	Net balance presented in balance sheet
As at March 31, 2016			
Financial Liabilities			
Derivative Liabilities	7,821	(3,197)	4,624
Total	**7,821**	**(3,197)**	**4,624**
Financial Assets			
Derivative Assets	9,591	(3,197)	6,396
Total	**9,591**	**(3,197)**	**6,396**

Rupees in lakhs

Particulars	Gross amounts	Gross amount sett-off in balance sheet	Net balance presented in balance sheet
As at April 1, 2015			
Financial Liabilities			
Derivative Liabilities	5,175	(487)	4,670
Total	**5,175**	**(487)**	**4,670**
Financial Assets			
Derivative Assets	4,775	(487)	4,288
Total	**4,775**	**(487)**	**4,288**

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

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

23) The Company had made for a provision amounting to Rs. 90,617 lakhs on a regulatory matter as of March 31, 2015. The said provision was reversed during the year ended March 31, 2016 based on the favorable order received from APTEL on March 31, 2016. However, subsequently on appeal being filed by procurers, the Supreme Court disposed off the matter against the Company in its order dated December 08, 2016. Accordingly, the Company has year on year accounted for in the Statement of Profit and Loss / PPE.

Further, The Company has also filed appeals with APTEL to seek relief towards: (a) additional cost incurred during construction period arising from "change in law" event as per PPA; and (b) increased debt servicing burden in respect of foreign currency debt, arising from steep foreign exchange variation pursuant to force majeure provisions of PPA. The matter is pending before APTEL.

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

Sasan Power Limited

As per our attached report of even date

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

Priyanshu Gundana
Partner
Membership No. : 109553

For Pathak HD & Associates
Firm Registration No. : 107783W
Chartered Accountants

Vishal D Shah
Partner
Membership No. : 119303

Place: Mumbai
Date: May 22, 2017

For and on behalf of the Board of Directors

Dr.Yogendra Narain
Director
DIN No. 01871111

Ashok Karnavat
Director
DIN No. 07098455

Suresh Nagrajan
Director
DIN No. 01851432

Arvind Singh
Chief Financial Officer

Paresh Rathod
Company Secretary & Manager
FCS : 3476

Place: Mumbai
Date: May 22, 2017