

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Teling Hydro Power Private Limited.

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Teling Hydro Power Private Limited**, which comprise the **Balance Sheet** as at 31st March, 2018, 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.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (Financial position), Profit or Loss (financial performance including other comprehensive income), cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the relevant rules thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 including the Ind AS, of the state of affairs (financial position) of the company as at 31 March 2018, its profit or loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("the orders") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such books and records of the company as we consider appropriate and according to the information and explanations given to us, we give in "Annexure I" a statement on the matters specified in paragraph 3 and 4 of the order.
2. 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 Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.

For SHRIDHAR AND ASSOCIATES
Chartered Accountants
Firm Registration No. 0134427W

Jitendra Sawjani
(Partner)
(Membership No.050980)

Place: Mumbai

Date: 17 APR 2018

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **TELING HYDRO POWER PRIVATE LIMITED** for the year Ended on 31st March, 2018. We report that;

1) Fixed Assets

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

The Fixed Assets have been physically verified by the management in a phased manner, 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 nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

The company does not hold any immovable property.

2) Inventory

The nature of business of the company does not require it to have any inventory. Hence the requirement of clause (ii) of paragraph 3 of the said order is not applicable to the company.

3) Secured or Unsecured Loans given

According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has 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. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4) Loan to parties covered under section 185 & 186 of the act

In our opinion and according to the information and explanations given to us, the company has not granted any loan to any directors nor acquired securities of anybody corporate.

5) Deposit's From Public

According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) **Maintenance of Cost Records**

As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) **Statutory Dues**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Income tax and is regular in depositing undisputed statutory dues, including profession tax, value added tax, provident fund, employees' state insurance, service tax, duty of customs, sales tax, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) **Loans From Financial Institutions or Banks**

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) **Money raised from initial public offer and term loans**

Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) **Fraud Reporting**

Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.

11) **Managerial Remuneration**

Section 197 of the Act is not applicable to a Private Company, and accordingly, reporting under this clause would not be required.

12) **Nidhi Company**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) Transactions with related parties

According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013.

14) Preferential allotment or private placement of shares

According to the information and explanations given to us and based on our examination of the records of the company, the company has not made preferential allotment or private placement of shares during the year and the provisions of section 42 of The Companies Act 2013 have been complied with.

15) Non cash transactions with directors

Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) Registration u/s 45-IA of the RBI Act, 1934

In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
Shridhar & Associates
Chartered Accountants
Firm's registration number: 134427W

Jitendra Sawjani
Partner
Membership number: 050980
Place: Mumbai

Telling Hydro Power Private Limited
Balance Sheet as at March 31, 2018

| Particulars | Note | Rupees In thousands | |
|--------------------------------------|---------|-------------------------|-------------------------|
| | | As at March 31, 2018 | As at March 31, 2017 |
| ASSETS | | | |
| Non-current assets | | | |
| Capital work-in-progress | 3.1 | 188,000 | 188,000 |
| Current assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 3.2 | 7 | 3 |
| Total | | 188,007 | 188,003 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 3.3 | 1,094 | 1,094 |
| Other equity | | | |
| Instrument Entirely equity in nature | 3.4 | 97 | 97 |
| Other equity | 3.5 | 184,317 | 185,921 |
| Liabilities | | | |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 3.6 | 2,435 | 805 |
| Other financial liabilities | 3.7 | 64 | 86 |
| Total | | 188,007 | 188,003 |
| Significant accounting policies | 2 | | |
| Notes on financial statements | 1 to 14 | | |

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

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of the Board of Directors

Jitendra Sawjany
Partner
Membership No. 050980

Anand Budholia
Director
DIN :0760731

Mantu Kumar Ghosh
Director
DIN : 07644889

Place : Mumbai
Date : April 17, 2018

Place : Mumbai
Date : April 17, 2018

Telling Hydro Power Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

| Particulars | Note | Rupees in thousands | |
|---|------|------------------------------|------------------------------|
| | | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Other Income | | - | - |
| Total Income | | - | - |
| Expenses | | | |
| Adminstration and other expenses | 3.8 | 1,604 | 152 |
| Total expenses | | 1,604 | 152 |
| Loss before exceptional items and tax | | (1,604) | (152) |
| Exceptional Items | | | |
| Loss before tax | | (1,604) | (152) |
| Income tax expense | | | |
| Current tax | | - | - |
| Loss for the year (A) | | (1,604) | (152) |
| Other Comprehensive Income for the year (B) | | - | - |
| Total Comprehensive Income for the year (A+B) | | (1,604) | (152) |
| Earnings per equity share: (Face value of Rs. 10 each) | | | |
| Basic and Diluted (Rupees) | | (14.66) | (1.39) |

Significant accounting policies **2**
Notes on financial statements **1 to 14**

The accompanying notes are an integral part of these financial statements

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of the Board of Directors

Jitendra Sawjany
Partner
Membership No. 050980

Anand Budholia
Director
DIN :0760731

Mant Kumar Ghosh
Director
DIN : 07644889

Place : Mumbai
Date : April 17, 2018

Place : Mumbai
Date : April 17, 2018

Telling Hydro Power Private Limited
Cash Flow Statement for the year ended March 31, 2018

| | Rupees in thousands | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| (A) Cash flow from/ (used in) Operating activities | | |
| Net Profit/ (Loss) before tax | (1,604) | (162) |
| Adjustments for: | | |
| Increase/ (Decrease) In Other Current Liabilities | (22) | (7) |
| Net cash generated from Operating activities | <u>(1,626)</u> | <u>(159)</u> |
| (B) Cash flow from/ (used in) Investing activities | - | - |
| (C) Cash flow from/ (used in) Financing activities | | |
| Inter corporate deposit | 1630 | 105 |
| Net cash generated/ (used in) Financing activities | <u>1,630</u> | <u>105</u> |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | 4 | (54) |
| Cash and cash equivalents at the beginning of the year: | | |
| Bank balance - current account | 3 | 57 |
| Cash and cash equivalents at the end of the year: | | |
| Bank balance - current account | 7 | 3 |

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

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of the Board of Directors

Jitendra Sawjlany
Partner
Membership No. 050980

Anand Budholla **Mantu Kumar Ghosh**
Director Director
DIN : 0760731 DIN : 07644889

Place : Mumbai
Date : April 17, 2018

Place : Mumbai
Date : April 17, 2018

Telling Hydro Power Private Limited
Statement of changes in equity

| A. Equity Shares | Rupees In thousands |
|---------------------------------|---------------------|
| Particulars | Amount |
| Balance as at March 31, 2017 | 1,094 |
| Changes in equity share capital | - |
| Balance as at March 31, 2018 | 1,094 |

| Particulars | Rupees In thousands | | | | |
|---|--|----------------------|----------------------------|-------------------|--------------------|
| | Instruments entirely equity in nature | Reserves and Surplus | Securities Premium Account | Retained Earnings | Total other equity |
| | Compulsory Convertible Preference Shares | Total | | | Total |
| Balance as at March 31, 2017 | 97 | 97 | 185,209 | (9,288) | 185,921 |
| Loss for the year | - | - | - | (1,604) | (1,604) |
| Other Comprehensive Income for the year | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | - | (1,604) | (1,604) |
| Balance as at March 31, 2018 | 97 | 97 | 195,209 | (10,892) | 184,317 |

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

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of the Board of Directors

Jitendra Sawjani
Partner
Membership No. 050880

Anand Budholia
Director
DIN : 0760731

Manju Kumar Ghosh
Director
DIN : 07644889

Place : Mumbai
Date : April 17, 2018

Place : Mumbai
Date : April 17, 2018

1) General information

Teling Hydro Power Private Limited is a private company incorporated under the provisions of the Companies Act, 1956. It is a wholly owned subsidiary of Reliance Power Limited. The company has been set up as a special purpose vehicle to develop a 94 MW hydroelectric power project at Himachal Pradesh.

These financial statements were authorised for issue by the board of directors on April 17, 2018.

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

2.1 Basis of preparation, measurement and significant accounting policies

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

(a) Basis of preparation

Compliance with Ind AS

The financial statements 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").

Historical cost convention

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

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

Fair value measurement

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

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

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

Current vis-à-vis non-current classification

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

(b) Recent accounting pronouncements

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. Since the Company does not have any foreign currency transactions and advance consideration there is no impact of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

(c) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Transition to Ind AS:

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

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in case of motor vehicles where the estimated useful life has been considered as five year based on technical evaluation by the management.

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) 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.

(e) 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.

I. Classification

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

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

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

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

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

ii. **Measurement**

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

Debt Instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in 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 profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. 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 Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

(f) **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.

(g) **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.

(h) **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.

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 payables are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and payables are subsequently measured at amortised cost using the effective interest method.

iv. **Derecognition:**

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

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

(i) **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.

(j) Provisions, Contingent Liabilities and Contingent Assets:

Provisions

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

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

Contingent liabilities

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

Contingent Assets:

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

(k) Foreign currency translation:

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

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

(l) Employee benefits:

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Post employee obligations

The group operates the following post-employment schemes:

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

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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

(m) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

(n) Cash and cash equivalents:

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

(o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

(p) Cash flow statement

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

(q) Segment reporting:

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

(r) Dividends:

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

2.2 Critical accounting estimates and judgements

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

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

(a) Provision

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

3.1 Capital Work In Progress

Rupees in thousands

| Gross Block (at cost) | Capital Work In progress | Total |
|--------------------------------------|--------------------------|---------|
| Balance as at March 31, 2017 | 188,000 | 188,000 |
| Incurring during the year | - | - |
| Capitalised/Adjusted during the year | - | - |
| Balance as at March 31, 2018 | 188,000 | 188,000 |

Telling Hydro Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018

| Particulars | Rupees in thousands | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| 3.2 Cash and cash equivalents | | |
| Balance with banks: in current account | 7 | 3 |
| | <u>7</u> | <u>3</u> |

| | Rupees In thousands | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| 3.3 Share capital | | |
| Authorised share capital | | |
| 300,000 (Previous year : 300,000) equity shares of Rs. 10 each | 3,000 | 3,000 |
| | <u>3,000</u> | <u>3,000</u> |
| Issued, subscribed and fully paid up capital | | |
| 109,400 (Previous year : 109,400) equity shares of Rs. 10 each fully paid up. | 1,094 | 1,094 |
| | <u>1,094</u> | <u>1,094</u> |

3.3.1 Reconciliation of number of equity shares

Equity shares

Balance at the beginning of the year - 109,400 (Previous year : 109,400) share of Rs. 10 each
 Balance at the end of the year - 109,400 (Previous year : 109,400) equity shares of Rs. 10 each

| | |
|--------------|--------------|
| 1,094 | 1,094 |
| <u>1,094</u> | <u>1,094</u> |

3.3.2 Terms/ rights attached to equity shares

Equity shares

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

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

| | As at March 31, 2018 | | As at March 31, 2017 | |
|--|----------------------|-----------------------------|----------------------|-----------------------------|
| | No. of Shares | Percentage of share holding | No. of Shares | Percentage of share holding |
| Equity shares | | | | |
| Reliance Power Limited (Equity Shares of Rs. 10 each fully paid) | 109,400 | 100% | 109,400 | 100% |
| | <u>109,400</u> | <u>100%</u> | <u>109,400</u> | <u>100%</u> |

3.3.4 Shares held by Holding Company / Subsidiaries of Holding Company

Equity Shares

Reliance Power Limited - 109,400 (Previous year : 109,400) shares of Rs. 10 each fully paid up

| | |
|-------|-------|
| 1,094 | 1,094 |
|-------|-------|

(Of the above, 109,399 (Previous Year : 109,399) shares are held by Reliance Power Limited, the Holding Company and 1 Share is jointly held by Reliance Power Limited and its nominee)

| | |
|--------------|--------------|
| <u>1,094</u> | <u>1,094</u> |
|--------------|--------------|

Telling Hydro Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018

| Other equity | Rupees in thousands | |
|--|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| 3.4 Equity instrument entirely equity in nature | | |
| Preference Shares | 97 | 97 |
| | <u>97</u> | <u>97</u> |
| 3.4.1 Preference share capital | | |
| Authorised share capital | | |
| 2,000,000 (Previous Year : 2,000,000) preference shares of Re. 1 each | 2,000 | 2,000 |
| | <u>2,000</u> | <u>2,000</u> |
| Issued, subscribed and fully paid up capital | | |
| 96,900 (Previous Year: 96,900) Preference shares of Re.1 each | 97 | 97 |
| | <u>97</u> | <u>97</u> |
| 3.4.2 Reconciliation of number of equity shares | | |
| Preference shares | | |
| Balance at the beginning of the year -96,900 (Previous year | 97 | 97 |
| Balance at the end of the year - 96,900 (Previous year : 96,900) shares of Re. 1 | <u>97</u> | <u>97</u> |

3.4.3 Terms/ rights attached to shares

Preference shares

7.5% non-cumulative non-convertible redeemable preference shares (NCRPS)

The Company has only one class of 7.5% Non-Cumulative Non-Convertible Redeemable Preference shares (NCRPS) having face value of Re. 1 per share which have been issued at a premium of Rs. 999 per share. These shares have a maturity period of twenty years from the date of allotment. NCRPS, however, can be early redeemed on completion of 15 years at the option of the Company or shareholder at the issue price of Rs. 1000 per share. Dividend on NCRPS is payable on the issue price of Rs. 1,000 per share.

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

| | As at March 31, 2018 | | As at March 31, 2017 | |
|--|----------------------|-----------------------------|----------------------|-----------------------------|
| | No. of Shares | Percentage of share holding | No. of Shares | Percentage of share holding |
| Preference shares | | | | |
| Reliance Power Limited (Preference Share of Re.1 each Fully paid up) | 96,900 | 100% | 96,900 | 100% |
| | <u>96,900</u> | <u>100%</u> | <u>96,900</u> | <u>100%</u> |

3.4.5 Shares held by Holding Company / Subsidiaries of Holding Company

| Preference shares | As at | As at |
|---|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Reliance Power Limited - 96,900 (Previous year : 96,900) shares of Re. 1 each fully paid up | 97 | 97 |
| | <u>97</u> | <u>97</u> |

Telling Hydro Power Private Limited

Notes to the financial statements as of and for the year ended March 31, 2018

| Particulars | Rupees in thousands | |
|--|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| 3.5 Reserves and Surplus | | |
| Balance at the end of the year | | |
| Securities premium account | 195,209 | 195,209 |
| Retained earning | (10,892) | (9,288) |
| | 184,317 | 185,921 |
| 3.5.1 Securities premium account | | |
| Balance at the beginning of the year | 195,209 | 195,209 |
| Balance at the end of the year | 195,209 | 195,209 |
| 3.5.2 Surplus in the Statement of Profit and Loss | | |
| Balance at the beginning of the year | (9,288) | (9,136) |
| Loss for the year | (1,604) | (152) |
| Balance at the end of the year | (10,892) | (9,288) |
| | 184,317 | 185,921 |
| 3.6 Current borrowings | | |
| Inter-corporate deposits | 2,435 | 805 |
| | 2,435 | 805 |
| 3.7 Other current financial liabilities | | |
| Retention money payable | 61 | 61 |
| Creditors for supplies and services | - | 2 |
| Other payables | 3 | 23 |
| | 64 | 86 |

Telling Hydro Power Private Limited

Notes to the financial statements as of and for the year ended March 31, 2018

| Particulars | Rupees in thousands | |
|---|--------------------------------------|--------------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| 3.8 Administration and other expenses | | |
| Stamp duty and filing fees | 2 | 3 |
| Legal and professional charges (including shared service charges) | 35 | 49 |
| Travelling and conveyance | - | 70 |
| Rates and taxes | 1,567 | - |
| Site Expenses | - | 30 |
| | 1,604 | 152 |

Teling Hydro Power Private Limited

Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

4) Project Status:

The company was incorporated on May 19, 2011. Pursuant to Pre-Implementation Agreement with Government of Himachal Pradesh (GoHP), which was signed on June 01, 2011. Rs. 18,80,00,000 (Rupees Eighteen Crore Eighty Lacs Only) was paid to GoHP as Upfront fee for Development and commissioning of 94 MW Teling Hydro project on Build, Own, Operate and Transfer (BOOT) basis. Pre-Feasibility Report and Forest land diversion proposal have been submitted to GoHP. Application has been submitted to Ministry of Environment and Forest (MoEF) for approval of Terms of Reference (TOR) & pre-construction activity clearance. ToR approval & pre-construction activity clearance received from MoEF. Field & desk studies initiated; Topographical survey completed, Hydrological study report for the Project has been approved by State for project planning purpose. Due to revision in the project levels by the GoHP, the revised Power Potential study (PPS), based on new project levels, has been completed. The project capacity as per revised PPS is 52 MW, which is 45% lower than the allotted capacity. The revised PPS has been submitted to Department of Energy, GoHP for approval.

5) Capital commitment

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. Nil (March 31, 2017 Rs. 1,483,152).

6) Details of remuneration to auditors:

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---------------------|------------------------------|------------------------------|
| (a) As auditors | | |
| For statutory audit | 10 | 20 |
| Total | 10 | 20 |

7) Related party transactions:

A. Parties where control exists:

Holding Company:

Reliance Power Limited (R Power)

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

Companies

Reliance Infrastructure Limited (R Infra)

Individual

Shri Anil D Ambani

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

| Particulars | Rupees in thousands | |
|--|---------------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Transactions during the year: | | |
| Inter- corporate deposits received | | |
| R Power | 1,630 | 105 |
| Reimbursement of expenses - paid by | | |
| R Power | 2 | 3 |

| Particulars | Rupees in thousands | |
|---|---------------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Closing balance | | |
| Equity share capital (excluding premium) | | |
| R Power | 1,094 | 1,094 |
| Preference share capital | | |
| R Power | 97 | 97 |
| Inter corporate deposits given | | |
| R Power | 2,435 | 805 |

8) Earnings per share:

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Profit available to equity shareholders | | |
| Profit after tax (A) (Rupees In thousands) | (1,604) | (152) |
| Number of equity shares | | |
| Weighted average number of equity shares outstanding (Basic) (B) | 109,400 | 109,400 |
| Basic and diluted earnings per share (A / B) (Rs.) | (14.66) | (1.39) |
| Nominal value of an equity share (Rs.) | 10 | 10 |

9) Income taxes

Rupees in thousands

| The reconciliation of tax expense and the accounting profit multiplied by tax rate : | | |
|--|----------------|----------------|
| Particulars | March 31, 2018 | March 31, 2017 |
| Profit before tax | (1604) | (152) |
| Tax at the Indian tax rate of 25.75% (2016-17: 29.87%) | (413) | (45) |
| Tax losses for which no deferred income tax was recognised | (413) | (45) |
| Income tax expense | - | - |

10) Fair value measurements

(a) Financial instruments by category

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

Rupees in thousands

| | March 31, 2018 | March 31, 2017 |
|-------------------------------------|----------------|----------------|
| Financial assets | | |
| Cash and cash equivalents | 7 | 3 |
| Total financial assets | 7 | 3 |
| Financial liabilities | | |
| Inter corporate deposits | 2435 | 805 |
| Retention money payable | 61 | 61 |
| Creditors for supplies and services | - | 2 |
| Others | 3 | 23 |
| Total financial liabilities | 2499 | 891 |

(b) Fair value hierarchy

There are no long term financial assets and financial liabilities which are measured at amortised cost or fair value.

11) Financial risk management

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

| Risk | Exposure arising from | Measurement | Management |
|----------------|---|-----------------------------|---|
| Credit Risk | Cash and cash equivalents, financial assets measured at amortised cost. | Aging analysis | Diversification of bank deposits. |
| Liquidity Risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

(a) Credit risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents and financial assets carried at amortised cost

Credit risk management

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

(b) Liquidity risk

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

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

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

| Rupees in thousands | | | | |
|-------------------------------------|-------------------|----------------------------|-------------------|--------------|
| March 31, 2018 | Less than 1 years | Between 1 year and 5 years | More than 5 years | Total |
| Financial liabilities | | | | |
| Inter corporate deposits | 2,435 | - | - | 2,435 |
| Retention money payable | 61 | - | - | 61 |
| Creditors for supplies and services | - | - | - | - |
| Dues to Holding Company | 3 | - | - | 3 |
| Total financial liabilities | 2,499 | - | - | 2,499 |

| Rupees In thousands | | | | |
|-------------------------------------|-------------------|----------------------------|-------------------|------------|
| March 31, 2017 | Less than 1 years | Between 1 year and 5 years | More than 5 years | Total |
| Financial liabilities | | | | |
| Inter corporate deposits | 805 | - | - | 805 |
| Retention money payable | 61 | - | - | 61 |
| Creditors for supplies and services | 229 | - | - | 2 |
| Dues to Holding Company | 23 | - | - | 23 |
| Total financial liabilities | 891 | - | - | 891 |

12) 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 total debts on a periodic basis. Equity comprises all components of equity includes the fair value impact. Debt comprises of long term borrowing and short term borrowing. The following table summarizes the capital of the company:

| Rupees In thousands | | |
|---------------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Equity | 185,508 | 187,112 |
| Debts | 2,435 | 805 |
| Total | 187,943 | 187,917 |

13) Segment reporting

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

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

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprises 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.

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of the Board of Directors

Jitendra Sawjani
Partner
Membership No. 060980

Anand Budholia
Director
DIN : 07607031

Mantu Kumar Ghosh
Director
DIN : 07644889

Place : Mumbai
Date : April 17, 2018

Place : Mumbai
Date : April 17, 2018