

Independent Auditors' Report

To the Members of Vidarbha Industries Power Limited

Report on the Financial Statements

Opinion

We have audited the Financial Statements of **Vidarbha Industries Power Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2019, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 20 to the financial statements regarding the pending application made by the Company before the National Company Law Tribunal (NCLT) for revision of its financial statements for the year ended March 31, 2018 and the restatement of the comparative for reasons stated therein. Our opinion on the financial statements is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors Response
1.	<p>Assessment of Going Concern assumption</p> <p>The Company has defaulted in repayment of its dues to lenders and delayed in payment of its statutory dues to various authorities.</p> <p>Further, the Company's power plant has also remained unoperational for a period of two and half months, thus affecting the going concern assumption of the Company.</p> <p>This is a key audit matter as the assessment of going concern is largely based on the assumptions made by the management.</p>	<p>In evaluating the going concern assumption we:</p> <ul style="list-style-type: none"> have evaluated the assumptions and judgements made with respect to the future cash flows in order to assess the company's ability to meet its current and future payment obligations. verified the assumptions used to calculate the future cash inflows and the viability of the plant. Further, the parent company has also agreed to provide the financial support to the Company as and when required. <p>Refer Note 25 of the financial statements for Going Concern assumption.</p>
2.	<p>Revenue Recognition</p> <p>The Company recognises revenue on accrual basis in accordance with the provisions of Power Purchase Agreement and relevant MERC orders and Electricity regulations as specified in the accounting policy mentioned in note 2.1 (m) of the Notes to Accounts to the financial statements of the Company.</p> <p>This is a key audit matter as the revenue is recognised not only as per the MERC Orders and Power purchase agreement but is also recognised based on the principles enumerated by APTEL. The Company during the year as stated in Emphasis of Matter Paragraph above recognised the revenue based on the principles enumerated by APTEL and accordingly reversed the excess revenue booked by the Company during the year and the previous years.</p>	<p>In assessing the revenue recognised by the Company on sale of energy we:</p> <ul style="list-style-type: none"> verified the MERC regulations, Power Purchase Agreement entered into by the Company with the party and relevant orders issued by MERC and APTEL. Verified the Orders and its relevant impact on the financial statements and verified the assumptions used by the management for recognising revenue from sale of energy. Verified the assumptions and calculations prepared by the management to arrive at the figures as per the principles enumerated in the APTEL Order. Further, we have obtained the copies of the petitions filed by the Company with MERC and verified that the revenue filed in the petitions is on the similar principles on which, the revenue is recognised in the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, CSR Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

As required by Section 143(3) of the Act, we report that:

Pathak H.D. & Associates

Chartered Accountants

- 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, 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 financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to any of its directors during the year. Hence, the requirement of the Company for compliance under this section is not applicable.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements. – Refer Note No. 4.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

For Pathak H.D. & Associates
Chartered Accountants
Firm Registration No. 107783W

Vishal D. Shah
Partner
Membership No. 119302
Place : Mumbai
Date : May 28th, 2019

Annexure 'A' to Independent Auditors' Report

Referred to under the section "Report on other legal and regulatory requirements" of our Independent Auditors' Report of even date to the members of Vidarbha Industries Power Limited on the financial statements for the year ended March 31, 2019

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- 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 regards to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of fixed assets have 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 classified under Finance lease receivable as disclosed in Note 3.3 (b) and 3.6 (e) to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has 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. In our opinion, the frequency of verification is reasonable.
- 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. Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities hence, the provisions of Section 186 [except for sub-section(1)] are not applicable to it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing the undisputed statutory dues in respect of Goods and Service Tax, provident fund, profession tax, employees' state insurance, income tax, and other material statutory dues as applicable, with the appropriate authorities. There is no undisputed amounts payable in respect of such applicable statutory dues except for Income Tax as at March 31, 2019 for a period of more than six months from the date the

Annexure 'A' to Independent Auditors' Report

Referred to under the section "Report on other legal and regulatory requirements" of our Independent Auditors' Report of even date to the members of Vidarbha Industries Power Limited on the financial statements for the year ended March 31, 2019

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become payable. In respect of Income tax dues of Rs. 3,627 lakhs for the financial year 2017-18. Refer Note 20 of the financial statements.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax as at March 31, 2019 which has not been deposited on account of dispute is as under:

Name of Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1	A.Y. 2015-16	Deputy Commissioner of Income tax (DCIT), Mumbai

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of dues to the banks as at the balance sheet date. The details of which is as under:

(Rs. in Lakhs)

Name of Lender	Borrowings				Interest			
	During the year ended March 31, 2019		As on March 31, 2019		During the year ended March 31, 2019		As on March 31, 2019	
	Amount	Period (Maximum days)	Amount	Period (Maximum days)	Amount	Period (Maximum days)	Amount	Period (Maximum days)
Rupee Term Loans								
Bank of Maharashtra	1,200	89	400	1	1,664	89	1,005	60
Vijaya Bank	600	89	200	1	671	89	502	60
Syndicate Bank	900	89	300	1	1,285	89	754	60
Axis Bank	4,441	89	218	1	922	89	494	60
State Bank of Travancore	177	87	59	1	348	89	113	32
State Bank of India	3,000	87	1,000	1	5,964	89	1,910	32
Oriental Bank of Commerce	354	89	177	1	604	89	444	60
External Commercial Borrowing								
Axis Bank Dubai	7,530	89	3,702	1	480	89	432	60
TOTAL	18,203		6,056		11,938		5,654	

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Term loans were applied for the purpose for which those were obtained.

Annexure 'A' to Independent Auditors' Report

Referred to under the section "Report on other legal and regulatory requirements" of our Independent Auditors' Report of even date to the members of Vidarbha Industries Power Limited on the financial statements for the year ended March 31, 2019

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- 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 managerial remuneration. Therefore, provisions of clause 3 (xi) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard () 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Vishal D. Shah
Partner
Membership Number: 119302

Place: Mumbai
Date: May 28, 2019

Annexure 'B' to Independent Auditors' Report

Referred to under the section "Report on other legal and regulatory requirements" of our Independent Auditors' Report of even date to the members of Vidarbha Industries Power Limited on the financial statements for the year ended March 31, 2019

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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 with reference to the financial statements of Vidarbha Industries Power Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements of the Company 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Annexure 'B' to Independent Auditors' Report

Referred to under the section "Report on other legal and regulatory requirements" of our Independent Auditors' Report of even date to the members of Vidarbha Industries Power Limited on the financial statements for the year ended March 31, 2019

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4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure 'B' to Independent Auditors' Report

Referred to under the section "Report on other legal and regulatory requirements" of our Independent Auditors' Report of even date to the members of Vidarbha Industries Power Limited on the financial statements for the year ended March 31, 2019

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Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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 Pathak H.D. & Associates
Firm Registration Number: 107783W
Chartered Accountants

Vishal D. Shah
Partner
Membership Number: 119303

Place: Mumbai
Date: May 28, 2019

Vidarbha Industries Power Limited
Balance Sheet as at March 31, 2019

Particulars	Note No.	Rupees in Lakhs	
		As at March 31, 2019	As at * March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	675	631
Intangible assets	3.2	989	1,055
Financial assets:			
Investments	3.3(a)	4,449	4,449
Loans	3.3 (b)	310	871
Finance lease receivables	3.3(c)	347,716	358,552
Other financial assets	3.3(d)	750	750
Other non-current assets	3.4	248	1,054
Total non-current assets		355,137	367,172
Current assets			
Inventories	3.5	4,877	5,523
Financial assets:			
Trade receivables	3.6(a)	127,759	98,755
Cash and cash equivalents	3.6(b)	257	4,810
Bank balances other than cash and cash equivalents	3.6(c)	95	-
Loans	3.6(d)	21,543	21,287
Finance lease receivables	3.6(e)	19,151	18,192
Other financial assets	3.6(f)	426	478
Other current assets	3.7	2,313	3,617
Total current assets		176,421	152,662
Total Assets		531,558	519,834
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.8	149	149
Other equity			
Instrument entirely equity in nature	3.9	1,342	1,342
Reserve and surplus	3.10	155,378	161,477
Total equity		156,869	162,968
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	3.11	184,052	211,439
Provisions	3.12	636	512
Deferred tax liabilities (net)	3.13	50,925	51,533
Total non-current liabilities		235,613	263,484
Current liabilities			
Financial liabilities			
Borrowings	3.14(a)	84,114	50,025
Trade payables			
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding dues of other than (i) above	3.14(b)	5,018	3,844
Other financial liabilities	3.14(c)	47,263	36,468
Other current liabilities	3.15	565	366
Provisions	3.16	91	79
Current tax liabilities	3.17	2,025	2,600
Total current liabilities		139,076	93,382
Total Equity and Liabilities		531,558	519,834
Significant accounting policies	2		
Notes to financial statements	1 to 25		

* Restated (Refer note 23)

The accompanying notes are an integral part of these financial statements

Vidarbha Industries Power Limited

As per our attached Report of even date

For Pathak H.D. & Associates

Chartered Accountants

Firm Registration No. 107783W

Vishal D.Shah

Partner

Membership No. 119303

Place: Mumbai

Date: May 28, 2019

For and on behalf of the Board of Directors

Shrikant D Kulkarni

Director

DIN 05136399

Rashna Hoshang Khan

Director

DIN 06928148

Suresh Hāribhāu Joshi

Director

DIN 07143407

Mantu Kumar Ghosh

Chief Finance Officer

Sayli K. Dabholkar

Company Secretary and Manager

Membership No. A43638

Place: Mumbai

Date: May 28, 2019

Vidarbha Industries Power Limited
Statement of Profit and Loss for the year ended March 31 2019

Particulars	Note No.	Rupees in Lakhs	
		Year ended March 31, 2019	Year ended * March 31, 2018
Revenue from Operations	3.18	99,343	149,607
Other Income	3.19	2,713	3,036
Total revenue		102,056	152,643
Expenses			
Cost of fuel consumed (Refer note 18)		62,829	88,478
Employee benefit expense	3.20	3,267	3,113
Finance costs	3.21	34,091	33,600
Depreciation and Amortisation expense	3.1 & 3.2	150	89
Generation, administration and other expenses	3.22	8,569	10,458
Total expenses		108,906	135,738
Profit/ (loss) before tax		(6,850)	16,905
Income tax expenses			
Current tax	10	-	3,627
Deferred tax	10	(608)	100
Profit/ (loss) for the year (A)		(6,242)	13,178
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations (net) (Refer note 6)		26	(74)
Other Comprehensive Income for the year (B)		26	(74)
Total Comprehensive Income for the year (A+B)		(6,216)	13,104
Earnings per equity share: (Face value of Rs. 10 each)			
-Basic (Rupees)	9	(418.49)	883.47
-Diluted (Rupees)	9	(41.85)	88.35
Significant accounting policies	2		
Notes to financial statements	1 to 25		

* Restated (Refer note 20)

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

Vidarbha Industries Power Limited

As per our attached Report of even date

For Pathak H.D. & Associates

Chartered Accountants

Firm Registration No. 107783W

Vishal D.Shah

Partner

Membership No. 119303

Place: Mumbai

Date: May 28, 2019

For and on behalf of the Board of Directors

Shrikant D Kulkarni

Director

DIN 05136399

Rashna Hoshang Khan

Director

DIN 06928148

Suresh Haribhau Joshi

Director

DIN 07143407

Mantu Kumār Ghosh

Chief Finance Officer

Sayli K. Dabholkar

Company Secretary and Manager

Membership No. A43638

Place: Mumbai

Date: May 28, 2019

Vidarbha Industries Power Limited
Cash Flow Statement for the year ended March 31, 2019

	Rs. in Lakhs	
	Year ended March 31, 2019	Year ended * March 31, 2018
(A) Cash flow from Operating Activities		
Net Profit before tax	(6,850)	16,905
Adjusted for:		
Interest and other finance cost	34,091	33,600
Depreciation and amortisation expenses	150	89
Loss on foreign exchange fluctuation (net)	1,810	1,175
Interest income	(2,317)	(342)
Loss on Sale of Tangible Assets (Net)	13	-
Provision for Doubtful advance	408	-
Operating Profit before working capital changes	27,405	51,427
Changes in Working Capital:		
(Increase)/Decrease in non current financial lease receivables	10,844	15,415
(Increase)/Decrease in non current loan	361	(261)
(Increase)/Decrease in other non current assets	455	4,258
(Increase)/Decrease in trade receivables	(29,004)	(53,020)
(Increase)/Decrease in current financial lease receivables	(959)	(733)
(Increase)/Decrease in other current financial assets	-	7,786
(Increase)/Decrease in other current assets	1,304	(2,165)
Provision for gratuity and leave encashment	136	32
(Increase)/Decrease in inventories	647	3,310
Increase/ (Decrease) in current loan	(354)	277
Increase/ (Decrease) in trade payables	1,229	3,742
Increase/ (Decrease) in other non current financial liabilities	199	265
Increase/ (Decrease) in other current financial liabilities	18	685
Taxes paid (net of refunds)	(15,124)	(20,409)
	(575)	(8,226)
Net cash flow generated from operating activities	11,706	24,792
(B) Cash flow from Investing Activities		
Payment towards Purchase of property, plant and equipments	(1,660)	(455)
Purchase of investments	-	(24)
Interest on bank and other deposits received	2,271	(1,535)
Inter corporate deposits refunded by the Holding Company	136	48,288
Inter corporate deposits given to the Holding Company	-	(7,643)
Inter corporate deposits given to Fellow Subsidiary	-	(4,000)
Margin Money / Deposits for a period of more than three months	(95)	4,282
Net cash flow generated from investing activities	452	38,913
(C) Cash flow from financing Activities		
Repayment of long term borrowings	(22,275)	(30,443)
Inter corporate deposits refunded to the Holding Company	(5,960)	-
Inter corporate deposits refunded by Fellow Subsidiary	220	-
Inter corporate deposits given to Fellow Subsidiary	(180)	-
Inter Corporate deposit received from Holding Company	39,889	-
Proceeds from short term borrowings	120	-
Repayment of short term borrowings	-	(306)
Interest and other finance cost paid	(28,525)	(32,947)
Net cash flow used in financing activities	(16,711)	(63,696)
Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)	(4,553)	9
Cash and Cash equivalents at the beginning of the year:		
Bank Balance - Current Account	597	4,801
Deposit accounts	4,213	-
Cash and Cash equivalents at the end of the year:		
Bank Balance - Current Account	242	597
Deposit accounts	15	4,213

* Restated (Refer note 20)

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

Vidarbha Industries Power Limited

As per our attached Report of even date

For Pathak H.D. & Associates

Chartered Accountants

Firm Registration No: 107783W

Vishal D.Shah

Partner

Membership No: 119303

Place: Mumbai

Date: May 28, 2019

For and on behalf of the Board of Directors

Shrikant D Kulkarni

Director

DIN 05136399

Rashna Hoshang Khan

Director

DIN 06928148

Suresh Haribhau Joshi

Director

DIN 07143407

Mantu Kumar Ghosh

Chief Finance Officer

Sayli K. Dabholkar

Company Secretary and Manager

Membership No. A43638

Place: Mumbai

Date: May 28, 2019

Vidarbha Industries Power Limited
Statement of changes in equity as at March 31, 2019

A. Equity Share Capital (Refer Note 3.8)	Rupees in lakhs
Balance as at March 31, 2018	149
Changes in equity share capital	-
Balance as at March 31, 2019	149

B. Other equity

Particulars	Instrument entirely equity in nature	Reserves and surplus (Refer Note 3.10)				Total	Total equity
		Securities Premium	Retained Earnings	Capital reserve (Arised pursuant to the scheme of amalgamation)	Foreign currency monetary item transiation difference account		
Balance as at April 1, 2017*	1,342	147,176	(9,686)	11,940	(2,075)	147,355	148,697
Profit for the year	-	-	13,178	-	-	13,178	13,178
Remeasurement of Post employment benefit obligation	-	-	(74)	-	-	(74)	(74)
Total Comprehensive Income for the year	-	-	13,104	-	-	13,104	13,104
Additions during the year	-	-	-	-	(40)	(40)	(40)
Amortisation during the year	-	-	-	-	1,058	1,058	1,058
Balance as at March 31, 2018*	1,342	147,176	3,418	11,940	(1,057)	161,477	162,819
Profit (loss) for the year	-	-	(6,242)	-	-	(6,242)	(6,242)
Remeasurement of Post employment benefit obligation	-	-	26	-	-	26	26
Total Comprehensive Income for the year	-	-	(6,216)	-	-	(6,216)	(6,216)
Additions during the year	-	-	-	-	(1,762)	(1,762)	(1,762)
Amortisation during the year	-	-	-	-	1,879	1,879	1,879
Balance as at March 31, 2019	1,342	147,176	(2,798)	11,940	(940)	155,378	156,719

* Restated (Refer note 20)

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

Vidarbha Industries Power Limited

As per our attached Report of even date

For Pathak H.D. & Associates

Chartered Accountants

Firm Registration No. 107783W

Vishal D.Shah

Partner

Membership No. 119303

Place: Mumbai

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Chief Finance Officer

Sayli K. Dabholkar

Company Secretary and Manager

Membership No. A43638

Place: Mumbai

Date: May 28, 2019

1) General information

Vidarbha Industries Power Limited ("the Company") is a subsidiary of Reliance Power Limited. The Company has been set up as a special purpose vehicle to develop and operate 600 (300X2) mega watt coal based power project at Butibori Industrial area near Nagpur, Maharashtra.

The registered office of the Company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Thane Belapur Road, Koparkhairne, Navi Mumbai, Maharashtra – 400710.

These financial statements were authorised for issue by the board of directors on May 28, 2019.

2) Significant accounting policies and critical accounting estimates 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"). The policies set out below have been consistently applied during the year presented, unless stated otherwise.

Functional and presentation currency

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

Historical cost convention

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

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

Fair value measurement

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

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

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

Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis". 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 and new standards:

New standards or interpretations issued but not yet effective

The Company will apply the following standard for the first time for its annual reporting period commencing 1st April, 2019:

Ind AS 116 – Leases

Ind AS 116 "Leases" was notified on March 30, 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17.

Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in process of evaluating the requirements of the standard and its impact on its financial statements.

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standard (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendments Rules, 2019. These other amendments come into force on April 01, 2019.

Ind AS - 12 "Income taxes", Appendix C - Uncertainty over income tax treatments

The appendix explains how to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Ind AS - 12 "Income taxes"

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Ind AS – 19 "Employee benefits", Plan amendment, curtailment or settlement

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Ind AS - 23 "Borrowing costs"

The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is annual periods beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from period beginning April 01, 2019.

Recent accounting pronouncements

Change due to transition to Ind AS 115- Revenue from Contract with Customers The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28th March 2018 which include Indian Accounting Standard (Ind AS) 115 in respect of 'Revenue from Contracts with Customers' which has replaced inter alia, the existing Ind AS 18 'Revenue' and is mandatory for reporting periods beginning on or after 1st April 2018.

The Company has applied Ind AS 115 prospectively.

(b) Property, plant and equipment (PPE):

Items of property, plant and equipment are stated at cost which includes capitalised borrowing cost, less depreciation and impairment loss, if any. 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.

Depreciation methods, estimated useful lives and residual value:

Depreciation on PPE is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful lives of the following assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

Particulars	Estimated useful lives
Buildings	60 years
Motor vehicles	8 years
Office Equipment	5 Years
Computers	3 Years
Furniture & Fixtures	10 Years
Plant & Equipment	15 Years

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.

(c) Intangible assets

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

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

Amortisation

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

Computer software is amortised over an estimated useful life of 3 years. Intangible assets include expenditure incurred for laying pipeline towards additional water supply. As the pipeline is estimated to be used over the life of the project, the cost incurred towards right is amortised over the term of the power purchase agreement.

(d) Impairment of non-financial assets

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

(e) Trade Receivable

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

(f) Financial Instruments

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

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 Company'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 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 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 (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 Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Income recognition

Interest income

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

Dividend

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

vi. 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

Ordinary 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

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.

(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 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.

(k) Foreign currency translations

i. Functional and presentation currency

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

ii. Transactions and balances

- (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 restatement 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 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.
 - In other cases, foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortised over the balance period of such long term asset / liabilities.
- (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.

(m) Revenue from Contracts with Customers and Other Income

The company derives revenue primarily from sale of energy to Adani Electricity Mumbai Limited (AEML). Effective April 1, 2018 the Company has applied Ind AS 115 – "Revenue from Contracts with Customers", which establishes a comprehensive framework for determining whether, how and when revenue is to be recognized. Ind AS -115 replace Ind AS-18 " Revenue" and Ind AS -11 " Construction Contracts". The Company recognises revenue when it transfers control over a product or service to a customer. The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

There is no impact on application of Ind AS 115 on the financial statements:

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 Company's 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 on an accrual basis as per the tariff rates approved by Maharashtra Electricity Regulatory Commission (MERC) in accordance with the provisions of Power Purchase Agreement (PPA) with Adani Electricity Mumbai Limited with effect from August 29, 2018, which was earlier with Reliance Infrastructure Limited (Rinfra). Further, revenue is also recognised towards truing up of fixed charges and fuel adjustment charges as per the applicable MERC (Multi year tariff) Regulations.

ii. Lease income

Revenue from sale of energy referred to above includes fixed charges considered as minimum lease payments in accordance with appendix "C" to Ind AS-17. Determining whether an arrangement contains a lease, which is apportioned between finance income and reduction of finance lease receivables and finance income is disclosed as "Finance Income" under "Other Operating Revenue" (Refer note 2.1 (m) below). Revenue towards truing up of fixed charges is recognized as operating income in the Statement of Profit and Loss in the year of truing up. In case of difference between the revenue recognized based on provisional tariff order/petitions filed and final tariff order, minimum lease payments is adjusted to the extent of difference for balance period of lease to arrive at revised internal rate of return based on which minimum lease payments is apportioned between finance income and reduction of finance lease receivables.

iii. 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.

(i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

These leases are analysed based on the situations and indicators set out in Ind AS-17 in order to determine whether they constitute operating leases or finance leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of a finance lease are classified as operating leases.

The following main factors are considered by the Company to assess if a lease transfers substantially all the risks and rewards incidental to ownership: whether

- (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term;
- (ii) the lessee has an option to purchase the asset and if so, the conditions applicable to exercising that option;
- (iii) the lease term is for the major part of the economic life of the asset;
- (iv) the asset is of a highly specialized nature; and
- (v) the present value of minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

As a lessor (Finance lease)

Appendix "C" of Ind AS 17 deals with the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease but convey rights to customers / suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria are identified as either operating leases or finance leases. In the later case, a finance lease receivable is recognized to reflect the financing deemed to be granted by the Group where it is considered as acting as lessor and its customers as lessees.

The Company has assessed finance lease with respect to the terms of PPA, where the agreement conveys to the purchaser of the energy an exclusive right to use generated energy.

In case of finance leases, where assets are leased out under a finance lease, the amount recognized under finance lease receivables is an amount equal to the net investment in the lease.

Minimum lease payment made under finance lease is apportioned between the finance income and the reduction of the outstanding receivables. The finance income is allocated to each period during the lease terms so as to produce a constant periodic rate of interest on the remaining balance of the lease receivable.

(m) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid

when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

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

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

Post employee obligations

The Company operates the following post-employment schemes:

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

Superannuation fund

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

(n) Income tax

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

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

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

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

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

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

(o) Cash and cash equivalents

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

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

(q) Cash flow statement

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

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified the Chief Financial Officer that makes strategic decisions.

(s) 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.

2.2 Critical accounting estimates and judgments

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 judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(a) Useful lives of assets and plants given on finance lease classified as finance lease receivables

The Company has independently estimated the useful life of property, plant and equipment given on finance lease based on the expected wear and tear, industry trends etc. In actual, the wear and tear can be different. 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 unrealised residual value of finance lease receivables. (Refer note 3.3(b)).

(b) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its intangible assets and the unguaranteed residual value of assets given on lease 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).

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

(c) Defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. (Refer Note 6)

(d) 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 10)

(e) 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 that future operating performance for subsidiaries 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 10 and 3.13)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

According to management's estimate, MAT credit balances will expire and may not be used to offset taxable income. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these MAT credit entitlement as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these balances.

(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 engages third party qualified valuer to perform the valuations.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. (Refer Note 11)

(g) Application of lease accounting

Significant judgement is required to apply lease accounting rules under Appendix "C" of Ind AS 17 "Determining whether an Arrangement contains a Lease". In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate customer's right to use the underlying assets; substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix "C".

Classification of lease

Significant judgement has been applied by the Company in determining whether substantially all the significant risks and rewards of ownership of the lease assets are transferred to the other entities.

Vidarbha Industries Power Limited

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

Property, plant and equipment		Rupees in Lakhs						
Particulars	Buildings	Furniture & fixtures	Motor Vehicles	Office equipment	Plant & Equipments	Computers	Total	
Carrying amount as at March 31, 2017	-	-	-	-	-	-	-	
Additions during the year	256	15	21	14	308	28	642	
Carrying amount as at March 31, 2018	256	15	21	14	308	28	642	
Accumulated Amortisation as at March 31, 2017	-	-	-	-	-	-	-	
For the year	@	2	1	@	7	1	11	
Balance as at March 31, 2018	@	2	1	@	7	1	11	
Net Carrying Amount								
Balance as at March 31, 2017	-	-	-	-	-	-	-	
Balance as at March 31, 2018	256	13	20	14	301	27	631	
Carrying amount as at March 31, 2018	256	15	21	14	308	28	642	
Additions during the year	-	3	-	-	115	-	118	
Carrying amount as at March 31, 2019	256	18	21	14	423	28	760	
Accumulated Amortisation as at March 31, 2018	@	2	1	@	7	1	11	
For the year	4	1	1	@	65	3	74	
Balance as at March 31, 2019	4	3	2	@	72	4	85	
Net Carrying Amount								
Balance as at March 31, 2018	256	13	20	14	301	27	631	
Balance as at March 31, 2019	252	15	19	14	351	24	675	

Notes:

- 1) @ Amount is below the rounding off norm adopted by the company.
- 2) Out of above Property, Plant and Equipment of Rs. 675 lakhs (March 31, 2018: 631) has been pledged as security (Refer note 7).

3.2 Intangible assets

Particulars	Water Supply Rights	Computer Software	Rupees in lakhs
			Total
Carrying amount as at March 31, 2017	1,264	35	1,299
Additions during the year	-	-	-
Carrying amount as at March 31, 2018	1,264	35	1,299
Accumulated amortisation as at March 31, 2017	150	6	156
For the year	75	3	78
Balance as at March 31, 2018	225	9	234
Net Carrying Amount			
Balance as at March 31, 2017	1,115	29	1,144
Balance as at March 31, 2018	1,039	26	1,065
Carrying amount as at March 31, 2018	1,264	35	1,299
Additions during the year	-	-	-
Deductions during the year	-	-	-
Carrying amount as at March 31, 2019	1,264	35	1,299
Accumulated amortisation as at March 31, 2018	225	9	234
For the year	73	3	76
Balance as at March 31, 2019	298	12	310
Net Carrying Amount			
Balance as at March 31, 2018	1,039	26	1,065
Balance as at March 31, 2019	966	23	989

Note:

1) Intangible assets are other than internally generated.

	Rs. in lakhs	
	As at March 31, 2019	As at March 31, 2018
Non-current Financial assets		
3.3(a) Investments		
A Equity share (unquoted, fully paid-up)		
In joint venture (Refer note 8 G) (valued at cost)		
2,500 (March 31, 2018: 2,500) equity shares of Reliance Geothermal Power Private Limited (Face value of Rs.10 each)	②	②
B Preference shares (Unquoted, fully paid up,)[†]		
In fellow subsidiary (Refer note 8 G) (valued at cost)		
1,082,000 (March 31, 2018: 1,082,000) preference shares in Siyom Hydro Power Private Limited* (Face value of Rs. 1 each)	5,548	5,548
Less: Provision for diminution in the value of investment in Siyom Hydro Power Private Limited	(1,123)	(1,123)
	4,425	4,425
C Government Bond (Quoted) (Fair value through Profit & Loss account)		
14,000 (March 31, 2018:14,000) 9.33% Government Bond of Rajasthan Government (Face value of Rs. 100 each)	16	16
7,000 (March 31, 2018: 7,000) 8.22% Government Bond of Tamilnadu Government (Face value of Rs. 100 each)	8	8
	4,449	4,449
② Amount is below the rounding off norm adopted by the company		
Aggregate book value of unquoted investments	4,425	4,425
Aggregate amount of quoted investments	24	24
Aggregate value of impairment in value of investment	1,123	1,123
Market value of quoted investments	27	22
[†]7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
As per terms and conditions of the investment made in preference shares, the issuer companies shall have a call option on the CCRPS which can be exercised by them in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, the CCRPS shall be redeemed at an issue price (i.e. face value and premium). The Company, however, shall have an option to convert the CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer Companies or the share holders thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each preference share shall be converted into equity shares of corresponding value (including the premium applicable thereon). In case the issuer companies declare dividend on their equity shares, the CCRPS will also be entitled to the equity dividend in addition to the coupon rate of dividend.		
# The shares in these companies are carried at cost arrived in accordance with the terms specified in Scheme of Amalgamation and Arrangement sanctioned by the High Court of Bombay on March 15, 2013.		
3.3 (b) Non-current loans		
(Unsecured, considered good)		
Security deposits	310	671
	310	671
3.3(c) Finance lease receivables		
Finance lease receivables (Refer Note 19)	347,716	358,552
	347,716	358,552
3.3(d) Other financial assets		
Advance recoverable in cash	750	750
	750	750
3.4 Other non-current assets		
(Unsecured, considered good)		
Capital advances	187	508
Balance with statutory authorities (including VAT recoverable)	61	458
	248	1,054

	As at March 31, 2019	Rs. in lakhs As at March 31, 2018
Current Financial assets		
3.5 Inventories		
Fuel [including Material in transit of Rs. Nil (March 31, 2018) : Rs. 73 lakhs]	338	873
Stores and spares	4,539	4,850
	4,877	5,523
(inventories are valued at lower of cost and net realisable value)		
3.6(a) Trade receivables: (Unsecured, considered good)		
Trade receivables	127,759	98,765
[includes amount receivables from related party (Refer Note 8G (ii)) [including Nil (March 31, 2018) : Rs. 19,612 Lakhs) billed in the subsequent month] (Refer Note 8G (i))		
	127,759	98,765
3.6(b) Cash and cash equivalents		
Balance with banks (Refer note 7)		
in current account	242	587
in deposit account with original maturity of less than three months	15	4,213
	257	4,810
3.6(c) Bank balances other than cash and cash equivalents (Refer note 7) Deposits with original maturity of more than three months but not less than twelve months	95	-
	95	-
3.6(d) Loans (Unsecured, considered good)		
Security deposits	391	30
Inter corporate deposits given to related parties (Refer note 8G (i))	19,000	19,000
Interest on inter corporate deposits given to related parties (Refer note 8G (i))	2,152	2,113
Inter corporate deposit given to Holding Company (Refer note 8G (i))	-	136
Loans / advances to employees	-	8
	21,543	21,287
3.6(e) Current finance lease receivables		
Finance lease receivables (Refer note 19)	18,151	18,192
	18,151	18,192
3.6(f) Other financial assets (Unsecured, considered good)		
Unbilled revenue	426	426
Interest accrued on Fixed Deposits	@	52
	426	478
3.7 Other current assets (Unsecured, considered good)		
Prepaid expenses	276	455
Advance to vendors (Refer note 8 (G)(ii))	2,037	3,162
	2,313	3,617

	As at March 31, 2019	Rupees in lakhs As at March 31, 2018
3.8 Equity Share capital		
Authorised share capital		
150,000,000 (March 31, 2018: 150,000,000) equity shares of Rs.10 each	15,000	15,000
	15,000	15,000
Issued, subscribed and fully paid up share capital		
1,491,626 (March 31, 2018: 1,491,626) equity shares of Rs.10 each	149	149
	149	149
3.8.1 Reconciliation of number of equity shares		
Balance at the beginning of the year - 1,491,626 (March 31, 2018: 1,491,626) equity shares of Rs. 10 each	149	149
Add: Issued and subscribed during the year - Nil (March 31, 2018: Nil) equity shares of Rs. 10 each	-	-
Balance at the end of the year - 1,491,626 (March 31, 2018: 1,491,626) equity shares of Rs. 10 each	149	149

3.8.2 Terms / rights attached to equity shares

The Company has only one class of equity shares having face 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 remaining assets of the Company, after distribution of all preferential amounts.

3.8.3 Details of shares held by holding company and subsidiary of holding company

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Percentage of shareholding	No. of Shares	Percentage of shareholding
Equity Shares				
Reliance Power Limited - 1,126,656 (March 31, 2018: 1,126,656) shares of Rs. 10 each	1,126,656	75.53%	1,126,656	75.53%
(Of the above, 1,126,650 (March 31, 2018: 1,126,650) shares are held by Reliance Power Limited, the holding company and 6 (March 31, 2018: 6) shares are jointly held by Reliance Power Limited and its nominees)				
 Rose Power Supply Company Limited (subsidiary of Reliance Power Limited) - 364,970 (March 31, 2018: 364,970) equity shares of Rs. 10 each	364,970	24.47%	364,970	24.47%
	1,491,626	100%	1,491,626	100%

Other Equity	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
3.9 Instrument entirely equity in nature		
Authorised share capital		
850,000,000 (March 31, 2018: 850,000,000) preference shares of Rs.10 each	85,000	85,000
	85,000	85,000
Preference Share Capital		
Issued, subscribed and fully paid up		
13,424,634 (March 31, 2018: 13,424,634) preference shares of Rs.10 each (Refer note 3.9.2 below for terms)	1,342	1,342
	1,342	1,342
3.9.1 Reconciliation of number of shares - subscribed and fully paid up		
	As at March 31, 2019	As at March 31, 2018
Preference shares		
Balance at the beginning of the year - 13,424,634 (March 31, 2018: 13,424,634) preference shares of Rs. 10 each	1,342	1,342
Balance at the end of the year - 13,424,634 (March 31, 2018: 13,424,634) preference shares of Rs. 10 each	1,342	1,342

3.9.2 Terms / rights attached to shares:**7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)**

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

3.9.3 Details of shares held by holding company and subsidiary of holding company

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Percentage of shareholding	No. of Shares	Percentage of shareholding
Preference Shares:				
Reliance Power Limited - 9,404,432 (March 31, 2018: 9,404,432) shares of Rs. 10 each	9,404,432	70.05%	9,404,432	70.05%
Rosa Power Supply Company Limited (subsidiary of Reliance Power Limited) - 4,020,202 (March 31, 2018: 4,020,202) preference shares of Rs. 10 each	4,020,202	29.95%	4,020,202	29.95%
	13,424,634	100%	13,424,634	100%

	Rs. in lakhs	
	As at March 31, 2019	As at March 31, 2018
3.10 Reserves and surplus		
Balance at the end of the year		
3.10.1 Capital reserve	11,940	11,940
3.10.2 Securities premium	147,176	147,176
3.10.3 Foreign currency monetary item translation difference account	(940)	(1,057)
3.10.4 Retained earnings	(2,758)	3,418
Total	155,378	161,477
3.10.1 Capital reserve (arisen pursuant to scheme of amalgamation) (Refer note 16)	11,940	11,940
3.10.2 Securities premium	147,176	147,176
3.10.3 Foreign currency monetary item translation difference account		
Balance at the beginning of the year	(1,057)	(2,075)
Add: Addition during the year	(1,762)	(40)
Less: Amortisation during the year	1,879	1,058
Balance at the end of the year	(940)	(1,057)
3.10.4 Retained earnings		
Balance at the beginning of the year (Refer note 20)	3,418	(9,886)
Profit for the year	(6,242)	13,176
Add/(Less): Remeasurement of Post employment benefit obligation	26	(74)
Balance at the end of the year	(2,758)	3,418
	155,378	161,477

Nature and purpose of other reserves:**a) Capital reserve**

Capital reserve has arisen pursuant to the scheme of amalgamation on account of net assets taken over from Reliance Fuel Resources Limited. (Refer note 16)

b) Securities premium

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

b) Foreign currency monetary item translation difference account

The Company has opted to continue the Previous GAAP policy for accounting of foreign exchange differences on long term monetary items. This Reserve represents foreign exchange accumulated on long term monetary items which are for other than depreciable assets. The same is amortized over the balance period of such long term monetary assets. (Refer note 15)

	As at March 31, 2019	Rs. in lakhs As at March 31, 2018
Non-current financial liabilities		
3.11 Non-current borrowings		
At amortised cost		
Secured		
Term loans:		
Rupee loans from banks	184,052	197,521
Foreign currency loans from banks	-	13,918
	184,052	211,439

3.11(a)(i) Nature of security for term loans:

- Rupee loans from banks of Rs. 181,992 lakhs (March 31, 2018: 168,416 lakhs) is secured / to be secured by first charge on all the immovable and movable assets and intangible asset of the Company on a pari passu basis and pledge of 51% of the equity share capital of the Company.
- Rupee loans from bank of Rs. Nil (March 31, 2018: 4000 lakhs) is secured by a residual charge on all the moveable fixed assets and current assets of the Company.
- Rupee loans from bank of Rs 19,346 lakhs (March 31, 2018: 20,000 lakhs) is secured by first charges on all movable and immovable assets on pari passu basis.
- Foreign Currency Loans from banks of Rs.18,528 lakhs (March 31, 2018: 27,876 lakhs) is secured / to be secured by first charge on all the immovable and movable assets of the Company on pari passu basis and pledge of 51% of the equity share capital of the Company.
- The Holding Company has given financial commitments / guarantee to the lenders of the Company. (refer note BG (ii)).
- Current maturities of long term borrowings have been classified as other current financial liabilities (refer note 3.14 (c))

3.11(a)(ii) Terms of repayment and interest

- The rupee loans from banks of Rs. 181,992 lakhs (March 31, 2018: 168,416 lakhs) is repayable in 50 structured quarterly instalments commencing from June 30, 2015 and carry an average interest rate of 12.39% per annum.
- Foreign currency term loan is repayable in 28 equal quarterly instalments commencing from June 30, 2013 and carries an interest rate of USD three month LIBOR plus 4.60% per annum, payable on a quarterly basis.
- Rupee loan from bank Rs Nil (March 31, 2018: 4,000 lakhs) is repayable in 10 quarterly instalments commencing from June 30, 2016 and carry an interest rate of 10.57 % p.a.
- Rupee loans from banks of Rs 19,346 lakhs (March 31, 2018: 20,000 lakhs) is repayable in 48 structured quarterly instalments commencing from June 30, 2018 and carry an interest rate of 10.25 % p.a.

3.11(a)(iii) The amortised cost disclosed above is net of incidental cost of borrowings aggregating of Rs.1,217 lakhs (March 31, 2018: Rs.1,482 lakhs)

3.11(a)(iv) There has been default and delay in repayment of principal and interest on the above borrowings during the year (Refer note 24)

3.12 Non-current provisions

Provision for gratuity (Refer note 5)	277	192
Provision for leave encashment (Refer note 5)	359	320
	636	512

3.13 Deferred tax liabilities

Gross deferred tax liability on depreciation due to timing difference (Refer note 10)	74,415	75,038
Less: Recoverable from beneficiaries	(23,490)	(23,505)
	50,925	51,533

	As at March 31, 2019	Rs. in lakhs As at March 31, 2018
Current financial liabilities		
3.14(a) Borrowings		
Secured		
Working Capital Loans	50,145	50,025
Unsecured - at amortised cost		
Loan repayable on demand		
Inter Corporate deposit received from fellow subsidiary (Refer note 8G (ii))	40	-
Inter Corporate deposit received from Holding Company (Refer note 8G (ii))	33,929	-
	84,114	50,025
3.14(a)(i) Nature of Security for Short term borrowings		
Cash credit facilities which are repayable on demand is secured pari passu along with term loan lenders by first charge on all the immovable and movable assets and intangible asset of the Company on a pari passu basis and pledge of 51% of the equity share capital of the Company.		
3.14(a)(ii) Interest		
Cash Credit Facility carry an average rate of interest of 12.96% per annum. Inter corporate deposits received from Holding company and Fellow subsidiary are interest free.		
3.14(b) Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	5,018	3,844
	5,018	3,844
3.14(c) Other financial liabilities		
Current maturities of long-term borrowings (Refer note 3.11 (a) (ii))	34,596	27,375
Interest accrued and due on borrowings	5,647	257
Interest accrued but not due on borrowings	226	317
Security deposits received	19	44
Creditors for capital expenditures (Refer note 8G (i) and note 17)	1,255	2,997
Retention money payable	553	1,017
Creditors for supplies and services (Refer note 8G (ii) and note 17)	3,651	3,485
Others*	1,016	975
*(Includes Gram panchayat tax, water charges and other miscellaneous payables)		
	47,263	36,468
3.15 Other current liabilities		
Other Liabilities (Includes statutory dues)	565	366
	565	366
3.16 Provisions		
Provision for leave encashment (Refer note 6)	91	79
	91	79
3.17 Current tax liabilities		
Provision for income tax (net of advance tax Rs.Nil (March 31, 2018: Rs. Nil)) (Refer Note 10)	2,025	2,600
	2,025	2,600

	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
3.18 Revenue from operations		
Sale of energy (including sale to related party (Refer Note 8G (i), 14 and 20)	69,225	100,152
Other operating revenues:		
- Finance income	26,876	45,359
- Interest from customer on delayed payment (Refer Note 8G (i))	3,242	4,096
	99,343	149,607
3.19 Other income		
Interest income:		
Bank deposits	264	177
Inter-corporate deposits (Refer Note 8G (i))	1,995	2,348
Others	58	165
Other Non operating income	396	346
	2,713	3,036
3.20 Employee benefit expense		
Salaries, bonus and other allowances	2,946	2,896
Contribution to provident fund and other funds (Refer note 6)	112	114
Gratuity and leave encashment (Refer note 6)	154	38
Staff welfare expenses	55	65
	3,267	3,113
3.21 Finance cost		
Interest on:		
Rupee term loans	25,010	24,974
Foreign currency loans	1,825	2,159
Working capital loans	6,490	5,429
Other finance charges	766	1,038
	34,091	33,600
3.22 Generation, administration and other expenses		
Stores and spares consumed	853	2,017
Rent expenses (including rent to related party (refer note 8G (i))	223	217
Repairs and maintenance:		
Plant and Machinery	1,187	1,448
Others	398	442
Legal and professional charges (including shared service charges) (Refer Note 8G (i))	272	1,024
Director's sitting fees	7	6
Travelling and conveyance	260	240
Rates and taxes	195	222
Insurance (including insurance charges to related party (refer note 8G (i))	371	604
Water charges	1,621	1,587
Loss on sale of fixed assets	13	21
Loss on foreign exchange fluctuations (net)	31	77
Expenditure towards corporate social responsibility (Refer note 21)	67	555
Amortisation of Foreign currency monetary item translation difference reserve	1,879	1,058
Provision for doubtful advance	408	-
Miscellaneous expenses	784	940
	8,569	10,458

4) Contingent Liabilities And Commitments**(i) Contingent liabilities**

- a) The Company has committed / guaranteed financial support for payment in respect of non-fund based facilities of Rs. Nil (March 31, 2018 Rs. 20,000 lakhs) granted to its holding company. Future cash flows in respect of the above matter can only be determined based on various uncertain factors.
- b) The Honourable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining contribution to Provident Fund under the Employees' Provident Funds and Miscellaneous Provisions Acts, 1952. The company is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statement, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

Claims against the Company not acknowledged as debt:

Disputed income tax dues for Assessment Year 2015-16 is Rs. 1 lakhs (March 31, 2018 Rs. Nil)

(ii) Capital commitments:

Estimated amount of contracts (net of capital advance) remaining to be executed on capital account and not provided for is Rs. Nil (March 31, 2018: Rs. 22 lakhs).

5) Details of Remuneration to Auditors:

Payment to Auditors	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
a) As Auditors		
Audit Fees	45	45
b) In other Capacities		
Certification Fees	1	@
Total Payment to Auditors	46	45

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

6) Employees benefit obligation:

The Company has classified various employee benefits as under:

a) Leave obligations

The leave obligations cover the company's liability for sick and privileged leave.

Provision for leave encashment	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
Current*	91	79
Non-current	359	320

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

b) Defined contribution plans

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

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

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
(i) Contribution to provident fund	79	79
(ii) Contribution to employees' superannuation fund	3	3
(iii) Contribution to employees' pension scheme 1995	30	32
Total	112	114

c) Post employment obligation

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Significant estimates: actuarial assumptions

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

Particulars	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.10%	7.65%
Rate of increase in compensation levels	7.50%	7.50%
Rate of return on plan assets	7.10%	7.65%
Expected average remaining working lives of employees in number of years	6.21	5.25

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

(ii) Gratuity Plan

Particulars	Present value of obligation	Fair value of plan assets	Rupees in lakhs
			Net amount
As at April 01, 2018	364	172	192
Current service cost	45	-	45
Interest cost	26	12	14
Total amount recognised in profit and loss	71	12	59
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	@	@
(Gain) / loss from change in demographic assumptions	1	-	1
(Gain) / loss from change in financial assumptions	14	-	14
Experience (gains) / losses	11	-	11
Total amount recognised in other comprehensive income	26	@	26
Employer contributions	-	-	-
Benefit payments	(14)	(14)	-
As at March 31, 2019	447	170	277

Particulars	Present value of obligation	Fair value of plan assets	Rupees in lakhs
			Net amount
As at April 01, 2017	370	174	196
Current service cost	57	-	57
Interest cost	26	12	14
Total amount recognised in profit and loss	83	12	71
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(2)	2
(Gain) / loss from change in demographic assumptions	(57)	-	(56)
(Gain) / loss from change in financial assumptions	(14)	-	(14)
Experience (gains) / losses	(6)	-	(6)
Total amount recognised in other comprehensive income	(77)	(2)	(74)
Employer contributions	-	-	-
Benefit payments	(12)	(12)	-
As at March 31, 2018	364	172	192

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

Particulars	Rupees in lakhs	
	March 31, 2019	March 31, 2018
Present value of funded obligations	448	364
Fair value of plan assets	(171)	(172)
Deficit of funded plan	277	192
Current Portion	-	-
Non-Current portion	277	192

(iii) Sensitivity analysis:

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

Particulars	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50 %	-3.02%	-3.03%	3.30%	3.22%
Salary escalation rate	0.50%	0.50%	3.17%	3.20%	-3.02%	-3.05%

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 was administrated 100% by Reliance Nippon Life Insurance Company Limited (Formerly known as Reliance Life Insurance Company Limited) as at March 31, 2019 and as at March 31, 2018.

(v) Defined benefit liability and employer contributions:

The Company will pay demand raised by RLIC towards gratuity liability on time to basis to eliminate the deficit in defined benefit plan.

The weighted average duration of the defined benefit obligation is 6.21 years (2017-18 – 6.25 years).

Vidarbha Industries Power Limited
Notes to the financial statements for the year ended March 31, 2019 (Continued)

- (vi) The actuarial valuation of gratuity liability does not include liability of seconded employees as the gratuity will be paid by the Holding Company as per term of secondment.

7) Assets pledged as security

Particulars	Note no	Rupees in lakhs	
		March 31, 2019	March 31, 2018
Non –Current			
First Charge			
Financial Assets			
Non-current investments	3.3(a)	4,449	4,449
Loans	3.3(b)	310	671
Finance lease receivables	3.3(c)	347,716	358,552
Other financial assets	3.3(d)	750	750
Non-financial assets			
Property, Plant & Equipment	3.1	675	631
Intangible Assets	3.2	989	1,065
Other Non-Current Assets	3.4	248	1,054
Total Non- current assets pledged as security (A)		355,137	367,172

Particulars	Note no	Rupees in lakhs	
		March 31, 2019	March 31, 2018
Current			
First Charge			
Financial assets			
Trade receivables	3.6(a)	127,759	98,755
Cash and Bank balances	3.6(b) & 3.6(c)	352	4,810
Loan	3.6(d)	21,543	21,287
Finance lease receivables	3.6(e)	19,151	18,192
Other current financial Assets	3.6(f)	426	478
Non-financial assets			
Inventories	3.5	4,877	5,523
Other current assets	3.7	2,313	3,617
Total current assets pledged as security (B)		176,421	152,662
Total assets pledged as security (A+B)		531,558	519,834

8) Related party transactions:

A. Parties where Control exists:

Holding Company:

1. Reliance Power Limited (R Power)

B. Fellow Subsidiaries

1. Sasan Power Limited (SPL)
2. Slyom Hydro Power Projects Limited (SHPPL)
3. Samalkot Power Limited (SMPL)
4. Dhursar Solar Power Private Limited (DSPL)
5. Rajasthan Sun Technique Energy Private Limited (RSTL)

C. Joint venture

Reliance Geothermal Power Private Limited (RGPPL)

D. Investing parties/ promoters having significant influence on the holding company directly or indirectly:

Companies

Reliance Infrastructure Limited (R Infra)

Individual

Shri Anil D. Ambani

Major Investing Party

Rosa Power Supply Company Limited (RPSL)

E. Enterprises over which, individual mentioned in clause D above, have control

Reliance General Insurance Company Ltd. (RGICL)

F. Key Management Personnel

1. Smt Sayli Kiran Dabholkar - Manager and Company Secretary
2. Shri Mantu Kumar Ghosh - Chief Financial Officer

Directors

Smt Rashna Khan

Shri Suresh H Joshi

Shri Shrikant D Kulkarni

Shri Vibhav Agarwal

Shri Ashesh Padhy

G. Details of transactions and closing balances:

		Rupees in lakhs	
	Particulars	2018-19	2017-18
(i)	Transactions during the year :		
	Remuneration to key management personnel		
	Mantu Kumar Ghosh		
	Short term employee benefits	42	8
	Post employment defined benefits	1	1
	Leave Encashment	-	@
	Directors Sitting Fees		
	Smt Rashna Khan	3	3
	Shri Suresh H Joshi	3	3
	Guarantee issued on behalf of the company by		
	R Power	-	4,645
	Professional Fees/Service Charges/Rent (Including Shared Services Charges)		
	R Power	-	755
	R Infra	172	164
	Insurance Premium		
	RGICL	290	499
	Reimbursement of expenses / salary - paid on the Company's behalf		
	RPSL	20	@
	SPL	11	535
	R Power	294	761
	Reimbursement of expenses - paid by the Company on behalf of		
	SMPL	-	144
	SPL	-	3
	R Power	27	-
	Material/Services received other than EPC Contract		
	RSTL	-	55
	Material/Services given other than EPC Contract		
	SPL	24	21
	RSTL	-	26
	RPSL	2	-
	Inter- corporate deposits Refunded by		
	R Power	136	48,288
	RPSL	-	6,540
	Inter- corporate deposits Received by the Company from		
	R Power	39,888	-
	RPSL	220	-
	Inter- corporate deposits Given by the Company to		
	R Power	-	7,643
	R Infra	-	4,000
	RPSL	-	6,540
	Inter- corporate deposits Refunded to		
	R Power	5960	

Vidarbha Industries Power Limited

Notes to the financial statements for the year ended March 31, 2019 (Continued)

	RPSL	180	-
	Sale of Energy		
	R Infra	45,607	160,332
	Interest from customer on delayed payments		
	R Infra	3,242	4,096
	Interest income on inter corporate deposit		
	R Infra	1,995	2353

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

		Rupees in lakhs	
(ii)	Closing balances:	March 31, 2019	March 31, 2018
	Investment in equity shares		
	RGPPPL	@	@
	Investment in preference shares		
	SHPPL	4,425	4,425
	Other Receivables		
	SMPL	108	108
	Trade Receivables		
	R Infra	120,680	98,668
	Creditors for capital expenditure		
	R Infra	-	1,729
	Creditors for Supply and Services		
	R Power	-	973
	RPSL	20	-
	R Infra	-	88
	Sale of Material		
	RPSL	2	-
	Inter-corporate deposits given by the Company		
	R Power	-	136
	R Infra	19,000	19,000
	Interest on Inter-corporate deposits given by the Company		
	R Infra	2,152	2,113
	Inter-corporate deposits received by the Company from		
	R Power	33,929	-
	RPSL	40	-
	Equity share capital (excluding premium)		
	R Power	113	113
	RPSL	36	36
	Preference share capital (excluding premium)		
	R Power	940	940
	RPSL	402	402
	Guarantee issued on behalf of the Company		
	R Power	4,725	47,25
	Guarantee issued by Company on behalf of		
	R Power		20,000

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

Vidarbha Industries Power Limited
Notes to the financial statements for the year ended March 31, 2019 (Continued)
H. Notes:

- i. 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 agreed means of finance, in respect of the project being undertaken/outstanding borrowings.
- ii. The above disclosure does not include transactions with public utility service providers, viz. electricity and telecommunication in the normal course of business.

9) Earnings per share:

Particulars	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018*
Profit available to equity shareholders (A)	(6,242)	13,178
Weighted average number of equity shares (B)	1,491,626	1,491,626
Add: adjustment on account of Compulsorily Convertible Redeemable Non Cumulative Preference Shares	13,424,834	13,424,834
Weighted average number of equity shares - Diluted (C)	14,916,260	14,916,260
Earnings per share – Basic (Rupees) (A/B)	(418.49)	883.47
Earnings per share – Diluted (Rupees) (A/C)	-	88.35
Nominal value of an equity share (Rupees)	10	10

*Restated (refer note 20)

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

10) Income Taxes:

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

(a) Statement of profit and loss:

Particulars	Rupees in lakhs	
	March 31, 2019	March 31, 2018
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	-	3,627
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	3,627
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	(608)	100
Total deferred tax expense/(benefit)	(608)	100
Income tax expense	(608)	3,727

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

Particulars	Rupees in lakhs	
	March 31, 2019	March 31, 2018
Profit before income tax expense	(6,852)	16,905
Tax at the Indian tax rate of 34.944% (previous year 34.608%)	(2,394)	5,850
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses (admissible) / inadmissible under income tax act (net)	795	270
Effect of finance lease reduction from lease receivable	(7,989)	(8,541)
Minimum alternate tax on which no deferred tax recognised	-	3,627
Effect of tax on account of available tax holiday under section 80IA of the Income tax Act/ Recoverable from beneficiary	8,980	2,520

Income tax expense	(608)	3,726
(c) Tax liabilities (net of assets)		Rupees in lakhs
	March 31, 2019	March 31, 2018
Provision for income tax (advance tax) – Opening balances	2,600	5,199
Add: Current tax payable for the year	-	3,627
Less: Taxes paid (net of refund)	(575)	(6,226)
Provision for income tax (advance tax) – Closing balances	2025	2,600

(d) Unutilised MAT credit/Un absorbed loss		Rupees in lakhs
	March 31, 2019	March 31, 2018
Unutilised MAT credit for which no deferred tax assets has been recognised	18,205	18,205
Unabsorbed depreciation	165,676	144,452
Unabsorbed business loss	4,448	-

The Company does not expect income tax liability under normal provision in the foreseeable future; hence the Company has not recognised deferred tax assets on MAT credit. The Company has not created deferred tax asset on the unabsorbed business loss and unabsorbed depreciation as there is no reasonable probability that the Company would generate sufficient taxable profits in the near future.

(e) Deferred tax assets and (liabilities)		Rupees in lakhs
Particulars		
At April 01, 2017		(51,433)
(Charged)/ credited to profit and loss		(100)
At March 31, 2018		(51,533)
(Charged)/ credited to profit and loss		608
At March 31, 2019		(50,925)

(f) Components of deferred tax assets and liabilities		Rupees in lakhs
	March 31, 2019	March 31, 2018
Deferred tax liability on account of PPE / Assets under finance lease	(50,753)	(51,533)
Deferred tax assets on account of provision for employment benefits	426	-
Deferred tax liability on account of others	(254)	-

11) Fair value measurements

(a) Financial instruments by category

		Rupees in lakhs
	As at March 31, 2019	As at March 31, 2018
Particulars	Amortised cost	Amortised cost
Finance lease receivable	366,867	376,744
Non Current Investments	4,449	4,449
Trade receivables	127,759	98,755
Cash and cash equivalents	257	4,810
Other bank balances	95	-
Loans	21,852	21,958
Other financial assets	1,176	1,228
*total financial assets	522,455	507,944

Financial liabilities

Borrowings	308,635	289,413
Trade payables	5,018	3,844
Other financial liabilities	6,795	8,519
Total financial liabilities	320,448	301,776

(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.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Finance lease receivables	-	370,976	-	370,976
Government Bond	27	-	-	27
Loans	-	-	310	310
Other financial assets	-	-	750	750
Total financial assets and Financial Liabilities	27	370,976	1060	372,063
Borrowings	-	224,521	-	224,521
Total financial liabilities	-	224,521	-	224,521

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Finance lease receivables	-	409,722	-	409,722
Government Bond	22	-	-	22
Loans	-	-	671	671
Other financial assets	-	-	750	750
Total financial assets	22	409,722	1,421	411,165
Financial Liabilities				
Borrowings	-	239,388	-	239,388
Total financial liabilities	-	239,388	-	239,388

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

Particulars	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Finance lease receivables	366,867	370,976	376,744	409,722
Government Bond	24	27	24	22
Loans	310	310	671	671
Other financial assets	750	750	750	750
Total Financial Assets	367,951	372,063	378,189	411,165
Financial Liabilities				
Borrowings	224,521	224,521	239,388	239,388
Retention money payable				
Total Financial Liabilities	224,521	224,521	239,388	239,388

(d) Valuation technique used to determine fair values

The main level 3 inputs used by the company are derived and evaluated as follows:

The fair value of financial instruments is determined using discounted cash flow analysis.

The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of 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). Further, the Company has no long-term Borrowings with fixed-rate of interest.

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 recognize transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

12) Financial risk management

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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, letters of credit and Credit limits.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupees (Rs.)	Sensitivity analysis	Un hedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Un hedged
Market risk – price risk	Unquoted investment in equity shares of Associates – not exposed to price risk fluctuations	-	-

(a) Credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade customers including outstanding receivables.

Credit risk management

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

The Company's credit risk arises from accounts receivable balances on sale of electricity and finance lease receivable are based on tariff rate approved by electricity regulator and inter-corporate deposits/loans are given to the holding company. The credit risk is very low as the sale of electricity based on terms of PPA which has been approved by the regulator and the inter-corporate deposits are within the same group.

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

(b) Liquidity risk

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 each power plant and long terms loans and advances. In addition, each of the operating plants has working capital loans available to it 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 allow the plants 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. This is generally carried out at local level in the operating subsidiaries of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. 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.

March 31, 2019	Rupees in lakhs			
	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Borrowings (including interest)	72,880	144,359	160,194	377,433
Borrowings- Short term	50,145	-	-	50,145
Inter corporate deposits	33,969	-	-	33,969
Trade payables	5,018	-	-	5,018
Security and other deposits	19	-	-	19
Retention money payable	553	-	-	553
Creditors for capital expenditure	1,255	-	-	1,255
Creditors for supplies and services	3,952	-	-	3,952
Others	1,016	-	-	1016
Total financial liabilities	168,807	144,359	160,194	473,360

March 31, 2018	Rupees in lakhs			Total
	Less than 1 year	Between 1 year and 5 years	More than 5 years	
Financial liabilities				
Borrowings	50,986	150,272	191,350	329,608
Borrowings- Short term	50,025	-	-	50,025
Trade payables	3,844	-	-	3,844
Security and other deposits	44	-	-	44
Retention money payable	1,017	-	-	1,017
Creditors for capital expenditure	2,997	-	-	2,997
Creditors for supplies and services	3,485	-	-	3,485
Others	976	-	-	976
Total financial liabilities	113,374	150,272	191,350	454,996

(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

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has long term monetary liabilities which are in US dollar other than its functional currency.

While the Company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated securities and borrowings, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of companies in which the Company invests. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Company's net assets attributable to holders of equity shares of future movements 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 Rupees, are as follows.

Particulars	Rupees in lakhs	
	March 31, 2019	March 31, 2018
Borrowings (including interest accrued)	19,186	28,187
Creditors and retention (Net of advance)	4,840	341
Net exposure to foreign currency risk (liabilities)	24,026	28,528

- 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 and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

	Rupees in lakhs			
	Impact on profit after tax		Impact on equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD sensitivity				
INR/USD -Increase by 6% (March 31, 2018-6%)*	(277)	(18.68)	(1,165)	(1,693)
INR/USD -Decrease by 6% (March 31, 2018-6%)*	277	18.68	1,165	1,693

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2019 and March 31, 2018 the Company's borrowings at variable rate were mainly denominated in Rupees.

- 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

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings*	19,346	24,000
Total borrowings	19,346	24,000

*The above borrowing does not includes project loan of Rs.200,533 lakhs (March 31, 2018 Rs. 264,839 lakhs) as interest on these loans are pass-thru, hence there is no interest rate risk involved.

- Sensitivity**

Rupees in lakhs

Particulars	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 5% on existing interest cost*#	(153)	(108)
Interest rates – decrease by 5% on existing interest cost*#	153	108

* Holding all other variables constant

The above interest cost sensitivity does not include interest on project loans as interest on these loans are pass-thru, hence there is no interest rate risk involved. Sensitivity of project loans on 5% increase/decrease will be Rs. 2,060 (March 31, 2018 Rs. 1,072)

13) Capital Management**(a) Risk Management**

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

The Company monitors capital on basis of total equity on a periodic basis. Equity comprises all components of equity excluding other reserves and including the fair value impact and debt represents term loan and short term loans. The following table summarizes the capital of the Company:

Rupees in lakhs

	March 31, 2019	March 31, 2018
Equity	145,868	169,145
Debt	302,762	288,839
Total	448,630	457,984

(b) The Company has defaulted in repayments of its dues to the lenders as on March 31, 2019 and during the year ended March 31, 2019, the Company has also made delayed payments to its lenders. (Refer note 24).

(c) Final Dividends for the year ended March 31, 2019 is Rs. Nil (March 31, 2018: Rs. Nil)

14) Segment Reporting

The Company's committee of Chief Executive Officers and Chief Financial Officer examine the Company's performance.

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

Information about major customers

Revenue for the year ended March 31, 2019 and March 31, 2018 were from customers located in India. Customers include private distribution entities. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2019 and March 31, 2018 were as follows:

Customer Name	Rupees in lakhs			
	For the year ended			
	March 31, 2019		March 31, 2018	
	Revenue	Percent	Revenue	Percent
R infra	45,607	43.00%	160,344	99.65%
AEML	60,214	56.77%	-	-

15) Exchange differences on foreign currency monetary items

The Company had availed the option available with respect to accounting for exchange difference arising on long term foreign currency monetary items in the Companies (Accounting Standards) (Second Amendment), Rules, 2011. Due to exercise of the said option the Company had adjusted the value of fixed assets towards the exchange difference arising on long term foreign currency monetary liabilities.

In transition to Ind AS foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortised over the balance period of such long term asset / liabilities.

The Company has accumulated the exchange rate gain in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) of Rs.939 lakhs (March 31, 2018: Rs. 1,057 lakhs) and shall amortize the same over the terms of the foreign currency monetary item.

16) Capital Reserve (arisen pursuant to Scheme of Amalgamation)

The capital reserve of Rs. 11,940 lakhs had arisen pursuant to the Scheme of Amalgamation (Scheme) sanctioned by the Hon'ble High Court of Bombay vide order dated March 15, 2013, Reliance Fuel Resources Limited (RFRL), a fellow subsidiary was amalgamated into the Company with the appointed being date January 1, 2013.

17) Micro and Small Scale Business Entities

Disclosure of 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 as per the intimations received from them as request made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

18) Cost of fuel consumed (including coal, heavy furnace oil and light diesel oil)

Particulars	Rupees in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	873	3,863
Add: Purchases during the year	62,494	85,288
Less: Balance at the end of the year	338	873
Consumed during the year	62,829	88,478

19) Finance Lease Receivables

Particulars	Rupees in lakhs.	
	March 31, 2019	March 31, 2018
Current finance lease receivables	19,151	18,192
Non-current finance lease receivables	347,716	358,552
Total	366,867	376,744

Minimum lease payments

Particulars	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	65,757	67,268
Between one year and five year	232,568	298,325
Later than five year	484,031	484,031
Total	782,356	849,624
Less: Unearned finance income	590,214	639,289
Present value of minimum lease payments receivables	192,142	210,335
Less: Expected cash outflows	3,150	3,238
Add: Unguaranteed residual value	167,828	167,828
Net investment in lease	356,820	374,925
Add: Unrecovered Finance lease income (Residual value)	10,047	1,819
Total	366,867	376,744

Present value of minimum lease payments

Particulars	Rupees in lakhs	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	19,151	18,192
Between one year and five year	70,049	72,158
Later than five year	102,942	119,985
Total	192,142	210,335

The finance lease receivables, accounted for as finance lease in accordance with Appendix C of Ind AS 17 and Ind AS 17, relate to the 25-year power purchase agreement under which VIPL sells all of its electricity output of its coal based generation capacity at Butibori village in Nagpur, Maharashtra of 800 MW.

The effective interest rate implicit in the finance lease was approximately 13.26 % for both 2018 and 2019.

20) Restatement

In accordance with the terms and conditions of the Power Purchase Agreement (PPA) and Maharashtra Electricity Regulatory Commission (MERC)'s Multi-Year Tariff (MYT) Regulations, the Company had filed a petition with MERC on March 03, 2016 for final true up of Annual Revenue Requirement (ARR) of FY 2014-15, provisional true up of ARR of FY 2015-16 and determination of tariff for FY 2016-17 to FY 2019-20. MERC, in its Order dated June 20, 2016, disallowed actual cost of coal claimed by the Company of Rs. 43,470 lakhs for the FY 2014-15 and of Rs. 30,491 lakhs for the FY 2015-16. In the said Order, MERC followed the same basis for the determining allowable cost of coal for the MYT for the period of FY 2016-17 to FY 2019-20.

Against the said Order of MERC, the Company filed an appeal with APTEL. In its Judgment dated November 3, 2016, APTEL directed MERC to re-determine the tariff by allowing the pass through of actual cost of coal with a certain cap. Consequently, the Company filed a petition on December 8, 2016 before MERC to implement the directions of APTEL. On January 3, 2017, MERC filed a civil appeal against the said Order of APTEL in Hon'ble Supreme Court of India. Subsequently, the Company also filed a Mid Term Review Petition on December 21, 2017 before MERC based on the principles enumerated in APTEL Judgment dated November 3, 2016. Pending the adjudication of above referred matters, the Company has recognised the revenue based on complete pass through of costs as per the terms of PPA and without considering disallowance pursuant to Order dated June 20, 2016 of MERC and accordingly in addition to the above further accrued Rs. 18,835 Lakhs for financial year 2016-17 and Rs. 23,914 Lakhs for financial year 2017-18 and Rs. 20,222 Lakhs for the nine months ended December 31, 2018.

Vidarbha Industries Power Limited**Notes to the financial statements for the year ended March 31, 2019 (Continued)**

Subsequent to the civil appeal filed by MERC, Hon'ble Supreme Court, vide its Judgment dated April 11, 2017 has laid down the law with respect to non-availability/ supply of indigenous coal as Change in Law event, requiring passing through of the cost of coal procured from alternate sources in tariff. Further, in accordance with the ratio determined in the said Judgment of Hon'ble Supreme Court, MERC has granted relief in several similar matters of other power generating companies.

Consequently, upon the petitions filed by the Company, MERC, vide its Order dated September 14, 2018 has directed the Company to file a revised Mid Term Review Petition (MTR). With reference to the said MTR petition, MERC has held a public hearing on January 8, 2019, and has reserved the Order.

Pending the final Order from MERC in MTR Petition, the Company considers it appropriate to revise its financial statements and to limit its recognition of revenue on the basis of principles enumerated by APTEL in its Judgment dated November 3, 2016 which continues to remain valid as no stay has been granted against it. As the Financial Statements for financial year 2017-18 are based on complete pass through (as is presently claimed by the Company), the Company believes it is appropriate to revise the Financial Statements of financial year 2017-18 also so as to comply with Section 129 of the Companies Act, 2013 and the fundamental accounting assumption of prudence underlying the applicable Accounting Standards. The Hon'ble Bombay High Court, has vide its order dated March 26, 2019, granted liberty to the Company to revise the Financial Statements for the financial year 2017-18 and seek the approval of the NCLT.

The Company has accrued revenue for the year ended March 31, 2019 based on the principles enumerated in the judgment of APTEL dated November 3, 2016 as stated above. Impact relating to period previous to March 31, 2017, has been given in other equity.

Restatement effects of the above are as below:

Changes in the Balance Sheet as at 31st March, 2018

Particulars	As at 31st March, 2018 (Reported)	Restatements	Rs. in Lakhs
			As at 31st March, 2018 (Restated)
ASSETS			
Trade receivables	122,572	(23,817)	98,755
Other Current Financial Assets	6,617	(6,191)	426
Total Assets	549,842	(30,008)	519,834
EQUITY AND LIABILITIES			
Other Equity	188,722	(27,245)	161,477
Current tax liabilities (net)	5,363	(2,763)	2,600
Total Equity and Liabilities	549,842	(30,008)	519,834

Changes in the Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	As at 31st March, 2018 (Reported)	Restatements	Rs. in Lakhs
			As at 31st March, 2018 (Restated)
Revenue			
Revenue from Operations	162,555	(12,948)	149,607
Profit before Tax	29,853	(12,948)	16,905
Current tax	6390	(2,763)	3,627
Profit for the year	23,363	10,185	13,178
Earnings per equity share: (face value of Rs. 10 each)			
Basic	1,566.26		883.47
Diluted	156.63		88.35

Changes in Balance Sheet as at April 1, 2017

Particulars	Rs. in Lakhs		
	As at April 1, 2017 (Reported)	Restatements	As at April 1, 2017 (Restated)
ASSETS			
Trade receivables	62,795	(10,869)	51,926
Other Current Financial Assets	8,211	(6,191)	2,020
Total Assets	551,182	(17,060)	534,122
EQUITY AND LIABILITIES			
Other Equity	164,414	(17,060)	147,354
Total Equity and Liabilities	551,182	(17,060)	534,122

21) Corporate Social Responsibility

The Company is required to incur an expenditure of Rs. 593 Lakhs (March 31, 2018: Rs. 546 lakhs) being 2% of the average net profit during the three immediately preceding financial years, towards corporate social responsibility, calculated in the manner as stated in the Act. Against the said required amount, the Company has spent Rs.67 lakhs (March 31, 2018: Rs. 554 lakhs) for purpose other than acquisition/construction of asset during the financial year.

22) Changes in liabilities arising from financing activities:

Particulars	Rupees in lakhs	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Long term Borrowings		
Opening Balance		
- Non Current	211,439	239,148
- Current	27,375	30,459
Availed during the year/period		-
Changes in Fair Value		
- Impact of Effective Rate of Interest	265	(424)
- Unrealised and Realised Exchange gain / loss	1,844	74
Repaid During the year/period	(22,275)	(30,443)
Closing Balance	218,648	238,814
Short term Borrowings		
Opening Balance	50,025	50,331
Availed during the year/period	40,229	-
Repaid During the year/period	(6,140)	(306)
Closing Balance	84,114	50,025
Interest Expenses		
Opening Balance		
Interest accrued and due on borrowings	257	-
Interest accrued but not due on borrowings	317	417
Interest Charge as per Statement Profit & Loss	34,091	33,600
Changes in Fair Value		
- Impact of Effective Rate of Interest	(267)	(496)
Interest paid to Lenders	(28,525)	(32,947)
Closing Balance		
Interest accrued and due on borrowings	5,647	257
Interest accrued but not due on borrowings	226	317

23) Fixed Assets under lease

Particulars	Gross Block (at cost)			
	Previous GAAP carrying value as at March 31, 2018	Additions during the year	Deductions during the period	As at March 31, 2019
Freehold land	6,056	-	-	6,056
Leasehold land	2,684	-	-	2,684
Transmission line land	130	-	-	130
Buildings	61,025	-	-	61,025
Plant and machinery	365,205	124	(68)	365,261
Railway siding	28,883	-	-	28,883
Transmission line	2,734	-	-	2,734
Furniture and fixtures	232	-	-	232
Motor vehicles	217	-	-	217
Office equipments	198	-	-	198
Computers	246	-	-	246
Total	467,610	124	(68)	467,666

Note: The above value of assets does not include exchange difference of Rs. 2,683 Lakhs (March 31, 2018: Rs.921 lakhs).

24) Delay/Default in repayment of borrowing and interest.

Sr	Name of Lender	Borrowings				Interest			
		During the year ended March 31, 2019		As on March 31, 2019		During the year ended March 31, 2019		As on March 31, 2019	
		Rupees in lakhs	Maximum days	Rupees in lakhs	Maximum days	Rupees in lakhs	Maximum days	Rupees in lakhs	Maximum days
I	Loan from Banks								
	Bank of Maharashtra	1,200	89	400	1	1,664	89	1,005	60
	Vijaya Bank	600	89	200	1	671	89	502	60
	Syndicate bank	900	89	300	1	1,285	89	754	60
	Axis Bank	4,441	89	218	1	922	89	494	60
	State Bank of Travancore	177	87	59	1	348	89	113	32
	State Bank of India	3,000	87	1,000	1	5,964	89	1,910	32
	Oriental Bank of Commerce	354	89	177	1	604	89	444	60
II	ECB								
	Axis Bank	7,530	89	3,702	1	480	89	432	60
III	Total	18,203		6,056		11,938		5,654	

25) Project Status:

The Company's Power Purchase Agreement (PPA) with Adani Electricity Mumbai Limited (AEML) has been approved by Maharashtra Electricity Regulatory Commission (MERC) pursuant to Sec. 86 of the Electricity Act, wherein the tariff is determined by MERC pursuant to provisions of Section 62 of the said Act. Tariff determined under Section 62 provides for complete pass-through of fuel costs. However, due to short supply of coal by Western Coalfields Limited under Fuel Supply Agreement for Unit 2 (300 MW) and also due to delay in conversion of Letter of Assurance (LoA) into FSA for Unit 1 (300 MW), the Company had to resort to market sources of coal (e-auction / imported coal) to operate the plant at normative availability. MERC, vide its order dated June 20, 2016, disallowed recovery of additional cost of purchasing coal from market sources, which was in excess of cost of linkage coal. The Company appealed against the said order of MERC in Appellate Tribunal of Electricity (APTEL). On November 3, 2016, APTEL allowed the Company's appeal in this regard and allowed recovery of actual fuel costs for Unit 1, subject to ceiling of fuel costs incurred for Unit 2. In April 2017, Hon'ble Supreme Court, in its order in Energy Watchdog matter, recognized decisions by Govt. of India and consequent changes in New Coal Distribution Policy (NCDP), 2007; which led to short supply of linkage coal under FSAs signed by Coal India subsidiaries or non-signing of FSAs; as Change in Law. Relying on the said order of the Hon'ble Supreme Court and several regulatory commissions (including MERC) have given relief to Independent Power Projects in the country in terms of pass-through of actual fuel costs incurred due to purchase of coal from market sources.

Based on the above facts, the Company through a Mid-Term Review (MTR) petition, has approached MERC for allowing full recovery of coal costs in the variable charge for the period starting from Commercial Operation Date (COD) to till date and for the future period as well.

The Company is expecting a favorable MERC order and securitization of the receivables, which become recoverable based on the MERC order (mainly representing past fuel cost under-recoveries including carrying costs), would provide the Company with necessary liquidity to make the debt service current and support sustained plant operations moving forward. It is pertinent to mention that in order to achieve long-term security of fuel for Unit 1, the Company participated in the second round of e-auction conducted under clause B(ii) of the SHAKTI policy and was provisionally allocated certain annual quantity of coal and after completing due process as defined under the SHAKTI policy, FSA for Unit 1 will be executed. With this, both 300 MW units of the Company (total 600 MW) have achieved long-term security of fuel supply.

Considering the above facts, the Company's financial statements have been prepared on a going concern assumption.

Vidarbha Industries Power Limited

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

As per our attached Report of even date

For Pathak H.D. & Associates

Chartered Accountants

Firm Registration No. 107783W

For and on behalf of the Board of Directors

Vishal D.Shah

Partner

Membership No. 119303

Shrikant D Kulkarni

Director

DIN 05136399

Place: Mumbai

Date: May 28, 2019

Rashna Hoshang Khan

Director

DIN 06928148

Suresh Haribhau Joshi

Director

DIN 07143407

Mantu Kumar Ghosh

Chief Finance Officer

Sayli K. Dabholkar

Company Secretary and Manager

Membership No. A43638

Place: Mumbai

Date: May 28, 2019

