

J R Power Gen Private Limited**Balance Sheet***(All amounts are in ₹ Thousands, unless otherwise stated)*

	Note	31 Mar 2017	31 Mar 2016	01 Apr 2015
I ASSETS				
1 Non-current assets				
(a) Property & Plant and Equipment	5	1,079.72	2,101.88	4,030.49
(b) Capital work in progress	5	1,775,744.00	1,685,403.67	1,602,397.44
(c) Financial Assets				
(i) Loans	7	13,734.28	13,734.28	13,734.28
(d) Other non-current assets	9	259,987.72	259,987.72	259,637.84
		<u>2,050,545.72</u>	<u>1,961,227.55</u>	<u>1,879,800.04</u>
2 Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	10	4,308.87	2,032.03	2,574.79
(b) Other financial assets	8	6,000.00	6,000.00	6,000.00
(c) Other current assets	9	2,937.35	2,733.07	2,758.94
		<u>13,246.22</u>	<u>10,765.10</u>	<u>11,333.73</u>
TOTAL		<u>2,063,791.93</u>	<u>1,971,992.65</u>	<u>1,891,133.77</u>
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	76,704.10	76,704.10	76,704.10
(b) Other equity		<u>1,242,068.60</u>	<u>1,243,108.08</u>	<u>1,244,700.93</u>
		<u>1,318,772.70</u>	<u>1,319,812.18</u>	<u>1,321,405.03</u>
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	664,555.03	577,873.94	502,499.07
		<u>664,555.03</u>	<u>577,873.94</u>	<u>502,499.07</u>
2 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	74,650.00	70,750.00	60,000.00
(ii) Trade payables	15	2,233.60	1,201.83	1,795.13
(iii) Other financial liabilities	16	3,549.72	2,321.02	5,362.37
(b) Other liabilities	14	30.89	33.69	72.18
		<u>80,464.21</u>	<u>74,306.54</u>	<u>67,229.67</u>
TOTAL		<u>2,063,791.93</u>	<u>1,971,992.65</u>	<u>1,891,133.77</u>

See accompanying notes to financial statements

As per our audit report attached

Anant Rao & Mallik

Chartered Accountants

for and on behalf of the Board

B V Mallikarjuna

Partner

Membership No.23350

Firm registration No.006266S

V Sambasiva Rao

Director

DIN: 00801763

N Ramakrishnan

Director

DIN: 00835893

Place: Hyderabad

Date: 26 May 2017

JR Power Gen Private Limited**Statement of Profit and Loss***(All amounts are in ₹ Thousands, unless otherwise stated)*

	Note	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue from operations			
Other Income	17	-	24.97
Total revenue		-	24.97
Expenses			
Employee benefits expense			
Other expenses	18	17.33	18.62
Depreciation & amortization expense	5 & 6	1,022.16	1,598.78
Total expenses		1,039.48	1,617.41
Loss before tax		(1,039.48)	(1,592.44)
Tax Expense			
Current Tax			0.41
Total Tax expense		-	0.41
Loss for the year after tax		(1,039.48)	(1,592.85)
Other comprehensive income			
(i) Items that will not be reclassified to Profit & Loss			
Remeasurement of defined benefit plans		-	-
Other comprehensive loss income		-	-
Total comprehensive loss for the year		(1,039.48)	(1,592.85)
Earnings / (loss) per share :			
Basic / diluted - face value of Rs 10 per share		(0.14)	(0.21)

See accompanying notes to financial statements

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JR Power Gen Pvt Ltd**Statement of Changes in Equity***(All amounts are in ₹ Thousands, unless otherwise stated)***A. Equity Share Capital**

Particulars	No of Shares	Amount
Balance as at 1 April, 2015	7,670,410	76,704.10
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2016	7,670,410	76,704.10
Balance as at 1 April, 2016	7,670,410	76,704.10
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2017	7,670,410	76,704.10

B. Other Equity

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance as at 1 April, 2015	1,244,700.93	-	1,244,700.93
(Loss) profit for the year	-	(1,592.85)	(1,592.85)
Remeasurement of defined benefit plans, net of tax	-	-	-
Total comprehensive (loss) profit for the year	-	(1,592.85)	(1,592.85)
Balance as at 31 March 2016	1,244,700.93	(1,592.85)	1,243,108.08
Balance as at 1 April, 2016	1,244,700.93	(1,592.85)	1,243,108.08
(Loss) profit for the year	-	(1,039.48)	(1,039.48)
Remeasurement of defined benefit plans, net of tax	-	-	-
Total comprehensive (loss) profit for the year	-	(1,039.48)	(1,039.48)
Balance as at 31 March 2017	1,244,700.93	(2,632.33)	1,242,068.60

See accompanying notes to financial statements

As per our audit report attached

Anant Rao & Mallik

Chartered Accountants

*for and on behalf of the Board***B V Mallikarjuna**

Partner

Membership No.23350

Firm registration No.006266S

V Sambasiva Rao

Director

DIN: 00801763

N Ramakrishnan

Director

DIN: 00835893

Place: Hyderabad

Date: 26 May 2017

J R POWER GEN PRIVATE LIMITED

Cash flow statement

(All amounts are in ₹ Thousands, unless otherwise stated)

Particulars	31 Mar 2017	31 Mar 2016
A. Cash Flows From Operating Activities		
Loss before tax	(1,039.48)	-
Adjustment for working capital changes:		
Loans and advances	(204.28)	25.87
Trade payable	1,031.77	(593.30)
Other liabilities and provisions	(409.32)	(464.09)
Cash generated from operating activities	(621.30)	(1,031.52)
Net cash from / (used in) operating activities	(621.30)	(1,031.52)
B. Cash Flows From Investing Activities		
Purchase of fixed assets (including capital work in progress)	(87,664.13)	(76,006.61)
Movement in capital advances	-	(349.88)
Net cash used from investing activities	(87,664.13)	(76,356.48)
C. Cash Flows From Financing Activities		
Proceeds/(repayment) of short term borrowings	90,581.09	84,532.01
Interest paid	(18.82)	(7,686.77)
Net cash from financing activities	90,562.27	76,845.24
Net increase in cash and cash equivalents (A+B+C)	2,276.84	(542.76)
Cash and cash equivalents at the beginning of the year	2,032.03	2,574.79
Cash and cash equivalents at the end of the year	4,308.87	2,032.03

See accompanying notes to financial statements

As per our audit report attached
for Anant Rao & Mallik
Chartered Accountants

for and on behalf of the Board

B V Mallikarjuna
Partner
Membership No.23350
Firm registration No.006266S

V Sambasiva Rao	N Ramakrishnan
Director	Director
DIN: 00801763	DIN: 00835893

Place: Hyderabad
Date: 26 May 2017

JR Power Gen Private Ltd
Notes to Financial Statements

(All amounts are in ₹ Thousands, unless otherwise stated)

1 Corporate Information

J R Power Gen Pvt Ltd (or “the Company”) was incorporated on January 12, 2007 for setting up Power plant of 3 x 660 MW for generation of electricity in Angul District, Orissa, to cater to the power requirements of various consumers.

2 Basis of preparation

2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, 'First-time adoption of Indian Accounting Standards' has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note.24

The financial statements were authorised for issue by the Board of Directors on 26 May 2017.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. Amounts in the financial statements are presented in Indian Rupees in thousands rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

2.3 Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items:

- Financial instruments that are designated as being at fair value through profit or loss account or through other comprehensive income upon initial recognition are measured at fair value;
- Net employee defined benefit (asset) / liability that is measured based on actuarial valuation.

3 Significant Accounting Policies

3.1 Capital work in progress

The cost of fixed assets not ready for their intended use before such date is disclosed under capital work in progress. Capital work in progress is carried at cost and incidental and attributable expenses including interest and depreciation on fixed assets in use during construction are carried as part of “Expenditure During Construction Period, Pending Allocation” to be allocated on major assets on commissioning of the project.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenditures that are directly attributable to property plant and equipment such as employee cost, borrowing costs for long-term construction projects etc., if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss.

Depreciation is computed, based on technical assessment made by technical expert and management estimate, on written down basis over the estimated useful life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used as follows:

Nature of asset	Useful life (years)
Furniture & fixtures	1-10
Vehicles	8-10
Office equipment & computers	3-6

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Nature of asset	Useful life (years)
Software	3

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible asset recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.4 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss

3.5 Financial assets

Initial recognition & measurement

All regular way purchases or sales of financial assets are recognised/derecognised on a trade date basis.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For the equity instruments Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

3.6 Financial liabilities

Initial recognition

Financial liabilities within the scope of IND AS 109 are classified as

- Fair value through profit or loss
- Other financial liability at amortised cost

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments..

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if criteria of IND AS 109 are satisfied.

Loans and borrowings at amortised cost

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the amortisation process.

JR Power Gen Private Ltd
Notes to Financial Statements

(All amounts are in ₹ Thousands, unless otherwise stated)

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the bond. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

Sale of electricity : Revenue from the sale of electricity is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end. Further, claim towards tariff adjustments and taxes are recognised in accordance with the specific provision of change in law specified under the power purchase agreement with respective customers.

Interest and dividend income : Revenue from interest is recognised on an accrual basis (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

3.9 Taxes

Current income tax: Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income tax : Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit;

JR Power Gen Private Ltd
Notes to Financial Statements

(All amounts are in ₹ Thousands, unless otherwise stated)

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities, relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

All other borrowing costs including transaction costs are recognised in the statement of profit and loss in the year in which they are incurred, the amount being determined using the effective interest rate method.

3.11 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

3.12 Cash and short-term deposits

Cash and short-term deposits in the Balance Sheet comprise cash at banks and on hand and short-term deposits.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and readily convertible short-term deposits, net of restricted cash and outstanding bank overdrafts.

3.13 Earnings per share

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise the net profit or loss for the period attributable to equity holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders (after adjusting for effects of all dilutive potential equity shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into equity shares.

3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

3.15 Employee benefits

Gratuity

In accordance with Gratuity laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by Life Insurance Corporation of India, a Government of India undertaking which is a qualified insurer.

The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability, respectively in accordance with IND AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary and the employer contribution is charged to statement of profit and loss. The benefits are contributed to the government administered provident fund, which is paid directly to the concerned employee by the fund. The Company has no further obligation to the plan beyond its monthly contributions.

Employee state Insurance Scheme

Eligible employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in statement of profit and loss or capitalised to Property, plant and equipment as the case may be during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IND AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies required the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements.

The policies where significant estimates and judgments have been made are as follows:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

JR Power Gen Private Ltd
Notes to Financial Statements

(All amounts are in ₹ Thousands, unless otherwise stated)

- *Estimation of fair value of acquired financial assets and financial liabilities*: When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- *Un-collectability of trade receivables*: Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Further recoverability of various claims as per power purchase agreement including change in law claim are subject to adjudicate at appropriate regulatory authorities.
- *Taxes*: Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.
- Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- *Gratuity benefits*: The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actual results can differ from estimates.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- *Useful lives of depreciable assets*: Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

J R POWER GEN PRIVATE LIMITED

Notes to financial statements

(All amounts are in ₹ Thousands, unless otherwise stated)

5 Property, Plant and Equipment

	Furniture and fixtures	Vehicles	Office equipment	Computer	Total	Capital work in progress
Deemed cost						
As at 01 April 2015	822.80	1,051.05	1,455.65	700.98	4,030.49	1,602,397.44
Additions			10.52		10.52	83,006.23
Disposals/transfers	(212.78)	(32.33)	(134.50)		(379.60)	
Other s						
As at 31 March 2016	610.02	1,018.72	1,331.68	700.98	3,661.40	1,685,403.67
As at 01 April 2016	610.02	1,018.72	1,331.68	700.98	3,661.40	1,685,403.67
Additions	-	-	-	-	-	90,340.33
Disposals/transfers	-	-	-	-	-	-
Other s	-	-	-	-	-	-
As at 31 March 2017	610.02	1,018.72	1,331.68	700.98	3,661.40	1,775,744.00
Depreciation						
As at 01 April 2015	-	-	-	-	-	-
Additions	104.87	240.25	858.10	395.61	1,598.78	-
Disposals/transfers	(8.69)	(0.04)	(30.58)	-	(39.31)	-
As at 31 March 2016	96.18	240.21	827.52	395.61	1,559.47	-
As at 01 April 2016	96.18	240.21	827.52	395.61	1,559.52	-
Additions	95.91	239.60	468.35	218.30	1,022.16	-
Disposals/transfers	-	-	-	-	-	-
As at 31 March 2017	192.09	479.81	1,295.87	613.91	2,581.68	-
Net book value						
As at 01 April 2015	822.80	1,051.05	1,455.65	700.98	4,030.49	1,602,397.44
As at 31 March 2016	513.85	778.51	504.15	305.37	2,101.88	1,685,403.67
As at 31 March 2017	417.93	538.91	35.80	87.08	1,079.72	1,775,744.00

6 Intangible assets

	Computer software	Total	Capital work in progress
Deemed cost			
As at 01 April 2015	562.36	562.36	-
Additions	-	-	-
As at 31 March 2016	562.36	562.36	-
As at 01 April 2016	562.36	562.36	-
Additions	-	-	-
As at 31 March 2017	562.36	562.36	-
Depreciation			
As at 01 April 2015	562.36	562.36	-
Additions	-	-	-
Disposals/transfers	-	-	-
As at 31 March 2016	562.36	562.36	-
As at 01 April 2016	562.36	562.36	-
Additions	-	-	-
Disposals/transfers	-	-	-
As at 31 March 2017	562.36	562.36	-
Net book value			
As at 01 April 2015	-	-	-
As at 31 March 2016	-	-	-
As at 31 March 2017	-	-	-

7 Loans

	31 Mar 17	31 Mar 16	01 Apr 15
Non current			
<i>Unsecured, considered good</i>			
Security deposit	13,734.28	13,734.28	13,734.28
Total	13,734.28	13,734.28	13,734.28

J R POWER GEN PRIVATE LIMITED

Notes to financial statements

(All amounts are in ₹ Thousands, unless otherwise stated)

8 Other financial assets

	31-Mar-17	31-Mar-16	01-Apr-15
Non current			
Inter corporate deposits			
Total (A)	-	-	-
Current			
Inter corporate deposits	6,000.00	6,000.00	6,000.00
Total (B)	6,000.00	6,000.00	6,000.00
Total (A+B)	6,000.00	6,000.00	6,000.00

9 Other assets

	31 Mar 17	31 Mar 16	01 Apr 15
Non-current			
Other receivables	162,500.00	162,500.00	162,500.00
Capital advances	97,487.23	97,487.23	97,137.35
Advance tax & tds receivable	0.49	0.49	0.49
Total (A)	259,987.72	259,987.72	259,637.84
Current assets			
Advance for supplies/expenses	8.04	10.04	5.83
Prepaid expenses	2,929.31	2,723.03	2,753.11
Total (B)	2,937.35	2,733.07	2,758.94
Total (A+B)	262,925.07	262,720.79	262,396.78

10 Cash and cash equivalents

	31 Mar 17	31 Mar 16	01 Apr 15
Cash and cash equivalent			
Cash on hand	2.88	39.20	15.78
Balances with banks;			
On current account	4,305.99	1,992.84	2,559.02
Total	4,308.87	2,032.03	2,574.79

11 Share capital

	31 Mar 17	31 Mar 16	01 Apr 15
Authorized:			
100,000,000 (31 Mar 2016: 100,000,000; 01 April 2015: 100,000,000) equity shares of ₹10/- each	1,000,000.00	1,000,000.00	1,000,000.00
20,000,000 (31 Mar 2016: 20,000,000; 01 April 2015: 20,000,000) preference shares of ₹10/- each	200,000.00	200,000.00	200,000.00
	1,200,000.00	1,200,000.00	1,200,000.00

Issued, subscribed and paid up:

7,670,410 (31 Mar 2016: 7,670,410; 01 April 2015: 7,670,410) equity shares of ₹10/- each fully paid-up	76,704.10	76,704.10	76,704.10
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Total	76,704.10	76,704.10	76,704.10
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Notes:

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

b) Reconciliation of number of shares outstanding

Particulars	31 Mar 17	31 Mar 16	01 Apr 15
Equity shares fully paid-up			
Outstanding at the beginning of the year	7670.41	7670.41	7670.41
Issued during the year	-	-	-
Outstanding at the end of the year	7670.41	7670.41	7670.41

c) Particulars of share holders holding more than 5% of the share capital :

Name of the shareholder	31 Mar 17	31 Mar 16	01 Apr 15
KSK Energy Ventures Limited (Holding Company)			
No. of shares held	7,660	7,660	7,660
% of shares held	99.87%	99.87%	99.87%

J R POWER GEN PRIVATE LIMITED

Notes to financial statements

(All amounts are in ₹ Thousands, unless otherwise stated)

12 Borrowings

	31 Mar 17	31 Mar 16	01 Apr 15
Non Current			
<i>Unsecured</i>			
Debentures	664,555.03	577,873.94	502,499.07
Total (A)	664,555.03	577,873.94	502,499.07
Current			
<i>Unsecured</i>			
Loans and advances from related parties	64,650.00	60,750.00	-
Loan against deposits	10,000.00	10,000.00	60,000.00
Total (B)	74,650.00	70,750.00	60,000.00
Total(A+B)	739,205.03	648,623.94	562,499.07

On 01-01-2014 the Company has issued optionally convertible redeemable debentures 7,350,000 of ₹.10/- each to KSK Energy Ventures Limited, 143,050,000 of ₹10/- each to KSK Electricity Financing India Private Limited each carrying a coupon rate of 0.01%. On 30-03-2015 the Company has further issued optionally convertible debentures 24,320,000 of ₹10/- to Sai Regency Power Corporation Private Limited, carrying a coupon rate of 0% per annum. These debentures are redeemable at the end of 10th year from the date of allotment.

13 Provisions

	31 Mar 17	31 Mar 16	01 Apr 15
Long-term			
For employee benefits	-	-	-
Total	-	-	-

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table sets out the status of the gratuity plan as required under Ind AS 19

A. Net Benefit asset

	31 Mar 17	31 Mar 16
Defined benefit obligation	345.82	423.05
Fair value of plan assets	(3,275.13)	(3,146.08)
Benefit asset	(2,929.31)	(2,723.03)

B. Changes in the present value of the defined benefit obligation are as follows

	31 Mar 17	31 Mar 16
Defined benefit obligation as at the beginning of the year	423.05	329.21
Included in income statement		
Current service cost	50.07	58.70
Interest cost	32.97	25.63
	506.09	413.54
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(50.00)	9.51
	(50.00)	9.51
Others		
Benefits paid	(110.27)	-
	(110.27)	-
Defined benefit obligation as at the end of the year	345.82	423.05

Changes in fair value of plan assets are as follows

	31 Mar 17	31 Mar 16
Fair Value of Plan Assets		
Fair value of plan assets beginning of the period	3,146.08	2,893.84
Interest income	245.22	225.33
	245.22	225.33
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	12.75	(73.20)
	12.75	(73.20)
Others		
Contributions	(18.65)	100.11
Benefits Paid	(110.27)	-
	(128.92)	100.11
Fair value of plan assets end of the period	3,275.13	3,146.08

J R POWER GEN PRIVATE LIMITED

Notes to financial statements

*(All amounts are in ₹ Thousands, unless otherwise stated)***Net defined benefit liability (asset)**

	31 Mar 17	31 Mar 16
Balance	(2,723.03)	(2,564.64)
Current service cost	50.07	58.70
Interest cost / (income)	(212.25)	(199.70)
	(162.18)	(141.00)
Included in other comprehensive income		
Remeasurement loss / (gain)	(50.00)	9.51
Actuarial losses/(gains) on obligation	(12.75)	73.20
	(62.74)	82.70
Others		
Contributions by employer	18.65	(100.11)
	18.65	(100.11)
Defined benefit obligation as at the end of the year	(2,929.31)	(2,723.03)

Asset information

	31 Mar 17	31 Mar 16
Insurer managed funds	100%	100%

The principal assumptions used in determining the obligation towards the Group's plan as shown below:

	31 Mar 17	31 Mar 16
Discount rate	7.45%	7.80%
Rate of increase in compensation levels	10.00%	10.00%

Sensitivity analysis

	31 Mar 17		31 Mar 16	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1% movement)	59.50	(49.33)	71.37	(59.64)
Salary Growth Rate (- / + 1% movement)	(48.69)	57.42	(59.04)	69.12

Discount rate: The discount rate is based on the prevailing market yields of Indian government bonds as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

14 Other liabilities

	31 Mar 17	31 Mar 16	01 Apr 15
Current			
Statutory liabilities	30.89	33.69	72.18
Total	30.89	33.69	72.18

15 Trade payable

	31 Mar 17	31 Mar 16	01 Apr 15
Other than micro and small enterprises	2,233.60	1,201.83	1,795.13
Total	2,233.60	1,201.83	1,795.13

The company has not received any information from suppliers or service providers, whether they are covered under the 'The Micro, Small and Medium Enterprises Development Act, 2006'. Disclosure relating to amount unpaid at the period/year end together with interest payable, if any, as required under the said Act are not ascertainable.

Trade payable are non-interest bearing and mainly includes amount payable to vendors in whose case credit period allowed is less than 12 months. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

16 Other Financials liabilities

	31 Mar 17	31 Mar 16	01 Apr 15
Interest accrued	2,741.52	1,644.87	4,799.18
Capital creditors including retention money	431.08	431.08	431.08
Salary & bonus payable	377.12	245.07	132.11
Total	3,549.72	2,321.02	5,362.37

J R POWER GEN PRIVATE LIMITED**Notes to financial statements***(All amounts are in ₹ Thousands, unless otherwise stated)***17 Other income**

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest received	-	24.97
Total	-	24.97

18 Other expenses

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Remuneration to auditors for audit	17.33	18.42
Donation / gifts	-	0.20
Total	17.33	18.62

19 Segment reporting

The Company is engaged in setting up of the power plant at angul district of Orissa state. Considering the nature of Company's business and operations, there are no separate reportable segments (business and / or geographical) in accordance with the requirements of AS 17 "Segment Reporting" as required by the Companies (AS) Rules, 2006.

20 Earnings per Share

The computation of EPS as per Ind AS 33 is set out below:

	Year ended	
	31-Mar-17	31-Mar-16
Net loss after tax	(1,039.48)	(1,592.85)
Weighted average number of equity shares (for calculation of basic / diluted earnings per share)	7,670	7,670
Earnings per share – basic / diluted	(0.14)	(0.21)

20 Deferred tax

Deferred tax as per AS 22 "Accounting for Taxes on Income" prescribed by the Companies (Accounting Standards) Rules, 2006, is not applicable to the company since, the Company has not commenced any commercial activity.

21 First-time adoption of Ind-AS

The Company has adopted Ind AS from 1st April, 2016 and the date of transition to Ind AS is 1st April, 2015. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 – "First-time Adoption of Indian Accounting Standards". An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a Deemed cost of property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all its property, plant and equipments and intangible assets recognised as of 1st April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost on transition date.

b Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after transition date.

c Classification and measurement of financial assets

The Company has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on transition date.

d Impairment of financial assets

The Company has applied impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

J R Power Gen Private Limited
Notes to financial statements
(All amounts are in ₹ Thousands, unless otherwise stated)

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

21 Reconciliation of equity as at 01 April 2015

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment		4,030.49	-	4,030.49
(b) Capital work in progress		1,602,397.44	-	1,602,397.44
(c) Financial asset				
(i) Loans		13,734.28	-	13,734.28
(d) Other non-current assets		259,637.84	-	259,637.84
		1,879,800.04	-	1,879,800.04
2 Current assets				
(a) Financial asset				
(i) Cash and bank balances		2,574.79	-	2,574.79
(ii) Other financial asset		6,000.00	-	6,000.00
(b) Other current assets		2,758.94	-	2,758.94
		11,333.73	-	11,333.73
		1,891,133.77	-	1,891,133.77
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		76,704.10	-	76,704.10
(b) Other equity	5	-	1,244,700.93	1,244,700.93
Total equity		76,704.10	1,244,700.93	1,321,405.03
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	3	1,747,200.00	(1,244,700.93)	502,499.07
		1,747,200.00	(1,244,700.93)	502,499.07
3 Current liabilities				
(a) Financial liability				
(i) Borrowings		60,000.00	-	60,000.00
(ii) Trade payables		1,795.13	-	1,795.13
(iii) Other financial liabilities		5,362.37	-	5,362.37
(b) Other current liabilities		72.18	-	72.18
		67,229.67	-	67,229.67
		1,891,133.77	-	1,891,133.77

J R Power Gen Private Limited
Notes to financial statements
(All amounts are in ₹ Thousands, unless otherwise stated)
Reconciliation of equity as at 31 March 16

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment		2,101.88	-	2,101.88
(b) Capital work in progress	1	1,611,621.66	73,782.01	1,685,403.67
(c) Financial asset				-
(i) Loans		13,734.28	-	13,734.28
(d) Other non-current assets		259,987.72	-	259,987.72
				-
		1,887,445.53	73,782.01	1,961,227.55
2 Current assets				
(a) Financial asset				-
(i) Cash and bank balances		2,032.03	-	2,032.03
(ii) Other financial asset		6,000.00	-	6,000.00
(b) Other current assets		2,733.07	-	2,733.07
		10,765.10	-	10,765.10
		1,898,210.64	73,782.01	1,971,992.65
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		76,704.10	-	76,704.10
(b) Other equity	5	-	1,243,108.08	1,243,108.08
Total equity		76,704.10	1,243,108.08	1,319,812.18
		76,704.10	1,243,108.08	1,319,812.18
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	3	1,747,200.00	(1,169,326.06)	577,873.94
		1,747,200.00	(1,169,326.06)	577,873.94
3 Current liabilities				
(a) Financial liability				-
(i) Borrowings		70,750.00	-	70,750.00
(ii) Trade payables		1,201.83	-	1,201.83
(iii) Other financial liabilities		2,321.02	-	2,321.02
(b) Other current liabilities		33.69	-	33.69
		74,306.54	-	74,306.54
		1,898,210.64	73,782.01	1,971,992.65

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

	Notes to first-time adoption	Previous GAAP *	Adjustments	IND AS
Revenue from operations				-
Other income	1		24.97	24.97
Total revenue		-	24.97	24.97
Expenses				
Depreciation and amortisation expenses	1		1,598.78	1,598.78
Total expenses		-	1,617.41	1,617.41
Loss before tax		-	(1,592.44)	(1,592.44)
Tax expense / (income)				
Current tax				-
For the year	1	-	0.41	0.41
Total tax expense		-	0.41	0.41
Loss after tax		-	(1,592.85)	(1,592.85)

* The Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note

J R Power Gen Private Limited**Notes to financial statements***(All amounts are in ₹ Thousands, unless otherwise stated)***Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016**

	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
Net cash from operating activities		(1,031.52)	-	(1,031.52)
Net cash from investing activity	4	(2,574.47)	(5,944.64)	(8,519.11)
Net cash from financing activities	4	3,063.23	5,944.64	9,007.87
Net increase / (decrease) in cash and cash equivalents			-	(542.76)
Cash and cash equivalents as at 1 April 2015		2,574.79	-	2,574.79
Cash and cash equivalents as at 31 March 2016		2,574.79	-	2,032.03

Notes to First time adoption of Ind AS**1 Capital work in progress:**

Ind AS 16 – Property, plant and equipment, specifically excludes general and administrative expenditure from being capitalised and require it to be charged to the statement of profit and loss in the year in which they incur. Whereas guidance under previous GAAP permits capitalisation of these costs provided they are specifically attributable to construction of a project, to the acquisition of a fixed asset or bringing it to its working condition. This change has reduced the carrying amount of capital work in progress by INR 1592.44 with corresponding effect in profit or loss for the year ended 31 March 2016.

Further, the Company has also provided for the differential interest on the coupon rate of debentures which were issued carrying an interest rate of 0% to 0.01% under the GAAP. The provision @ 15% p.a. is made in the books on conservative basis to ensure that the interest on debentures is provided on fair value method. Consequent to the change in the methodology effective from 1 April 2015, the capital work in progress has undergone a change compared to the previous GAAP which will result into increase in the project cost by INR 75,374.86.

2 Property, plant and equipment:

As per Ind AS 17, payments for leasehold land under an operating lease (considering that it has indefinite economic life), shall be recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Amounts paid over and above the lease rentals due is shown as prepaid expenses under other assets.

However under previous GAAP the same has been recorded and classified under Property, plant and equipment.

3 Optionally Convertible & redeemable Debentures

The Company has issued optionally convertible redeemable debentures. The debentures carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the debentures were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, optionally convertible debentures are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the long term borrowing is reduced by INR 1,169,326.06 (1 April 2015: 1,244,700.93) with a corresponding increase in borrowings as liability component.

4 Statement of cash flows:

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

5 Retained earnings:

Retained earnings as at April 1, 2015 has been adjusted, consequent to the above Ind AS transition adjustments.

J R POWER GEN PRIVATE LIMITED**Notes to financial statements**

(All amounts are in ₹ Thousands, unless otherwise stated)

22 Financial risk management objectives and policies

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to credit risk and liquidity risk.

Credit risk analysis

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The carrying value of financial assets represents the maximum exposure for credit risk. The maximum exposure to credit risk of each class of financial assets at the reporting date was as follows:

	Note	Carrying value		
		31-Mar-17	31-Mar-16	01-Apr-15
Loans	7	13,734.28	13,734.28	13,734.28
Other financial asset	8	6,000.00	6,000.00	6,000.00
		19,734.28	19,734.28	19,734.28

The Company's management believes that all the above financial assets are not impaired for each of the reporting dates under review and are of good credit quality.

Liquidity risk analysis

The Company's main source of liquidity is its operating businesses. The treasury department uses regular forecasts of operational cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 90 day. The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 31 March 2017:

	Current		Non-current		Total
	within 12 months	1-5 years	Later than 5 years		
Loan and borrowings	74,650.00	-	664,555.03		739,205.03
Trade and other payables	2,233.60	-	-		2,233.60
Other financial liabilities	3,549.72	-	-		3,549.72
Total	80,433.32	-	664,555.03		744,988.35

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 31 March 2016:

	Current		Non-current		Total
	within 12 months	1-5 years	Later than 5 years		
Loan and borrowings	70,750.00	-	577,873.94		648,623.94
Trade and other payables	1,201.83	-	-		1,201.83
Other financial liabilities	2,321.02	-	-		2,321.02
Total	74,272.85	-	577,873.94		652,146.79

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 1 April 2015:

	Current		Non-current		Total
	within 12 months	1-5 years	Later than 5 years		
Loan and borrowings	60,000.00	-	502,499.07		562,499.07
Trade and other payables	1,795.13	-	-		1,795.13
Other financial liabilities	5,362.37	-	-		5,362.37
Total	67,157.50	-	502,499.07		569,656.57

J R POWER GEN PRIVATE LIMITED**Notes to financial statements**

(All amounts are in ₹ Thousands, unless otherwise stated)

Capital management

Capital includes equity attributable to the equity holders of the parent and debt.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value objectives include, among others:

- Ensure Company's ability to meet both its long-term and short-term capital needs as a going concern;
- Constantly evolve multiple funding alternatives – equity and /or preference capital, senior and /or subordinated debt, corporate loan facilities to arrive at an optimal capital mix;

No changes were made in the objectives, policies or processes during the year ended 31 March 2016 and 31 March 2015.

The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements.

The Company net debt to equity ratio at the reporting date is as follows:

	31 March 2017	31 March 2016	1 April 2015
Total borrowing	739,205.03	648,623.94	562,499.07
Less : Cash and bank balances	(4,308.87)	(2,032.03)	(2,574.79)
Net debt	734,896.16	646,591.90	559,924.28
Equity	1,318,772.70	1,319,812.18	1,321,405.03
Total equity	1,318,772.70	1,319,812.18	1,321,405.03
Net debt to equity ratio	0.56	0.49	0.42

23 Financial Instruments

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	31 March 2017	31 March 2017	31 March 2016	31 March 2016	1 April 2015	1 April 2015
Non- current financial assets						
Loans	13,734.28	13,734.28	13,734.28	13,734.28	13,734.28	13,734.28
Total non-current	13,734.28	13,734.28	13,734.28	13,734.28	13,734.28	13,734.28
Current financial assets						
Cash and bank balances	4,308.87	4,308.87	2,032.03	2,032.03	2,574.79	2,574.79
Other financial asset	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Total current	10,308.87	10,308.87	8,032.03	8,032.03	8,574.79	8,574.79
Total	24,043.15	24,043.15	21,766.31	21,766.31	22,309.07	22,309.07
Non- current financial liabilities						
Borrowings	664,555.03	664,555.03	577,873.94	577,873.94	502,499.07	502,499.07
Total non-current	664,555.03	664,555.03	577,873.94	577,873.94	502,499.07	502,499.07
Current financial liabilities						
Borrowings	74,650.00	74,650.00	70,750.00	70,750.00	60,000.00	60,000.00
Trade payables	2,233.60	2,233.60	1,201.83	1,201.83	1,795.13	1,795.13
Other financial liabilities	3,549.72	3,549.72	2,321.02	2,321.02	5,362.37	5,362.37
Total current	80,433.32	80,433.32	74,272.85	74,272.85	67,157.50	67,157.50
Total	744,988.35	744,988.35	652,146.79	652,146.79	569,656.57	569,656.57

J R POWER GEN PRIVATE LIMITED**Notes to financial statements***(All amounts are in ₹ Thousands, unless otherwise stated)***24 Related party transactions****A. List of related parties and nature of relationship**

S.No.	Name of the related party	
1	KSK Energy Ventures Limited	Holding company
2	KSK Electricity Financing India Private Limited	Fellow subsidiary
3	Sai Regency Power Corporation Private Limited	Fellow subsidiary

B. Key management personnel

S.No.	Name of the related party	
1	V Sambasiva Rao	Director
2	N Ramakrishnan	Director
3	K Bapi Raju	Director

C. Related party transactions

	As at 31 Mar 2017		As at 31 Mar 2016	
	Holding Company	Fellow subsidiaries	Holding Company	Fellow subsidiaries
Transactions during the year				
Project Development Fees				
Interest expense	3,736.65	83,094.84	3,250.22	72,275.04
Loan taken	-	3,900.00	-	60,750.00

Balances

S.No.	Nature of transaction	Holding Company	Fellow-subsidary
31 Mar 17			
1	Amount payable	28,591.33	700,613.70
2	Interest payable	16.53	321.68
31 Mar 16			
1	Amount payable	24,862.03	613,761.91
2	Interest payable	9.91	192.94
01 Apr 15			
1	Amount payable	21,619.15	480,879.92
2	Interest payable	3.30	64.20

25 Disclosure on Specified Bank Notes (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	7.50	24.47	31.97
(+) Permitted receipts		4.00	4.00
(-) Permitted payments		(1.66)	(1.66)
(-) Amount deposited in Banks	(7.50)		(7.50)
Closing cash in hand as on December 30, 2016	-	26.81	26.81

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

As per our audit report of even date attached
Anant Rao & Mallik
Chartered Accountants

for and on behalf of the Board

B V Mallikarjuna
Partner
Membership No.23350
Firm registration No.006266S

V Sambasiva Rao
Director
DIN: 00801763

N Ramakrishnan
Director
DIN: 00835893

Place: Hyderabad
Date: 26 May 2017