

KSK Dibbin Hydro Power Private Limited**Balance Sheet as at 31 March 2017***(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Notes	As at 31 March 2017	As at 31 Mar 2016	As at 1 Apr 2015
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	4	17,173,245	19,471,552	22,902,373
(b) Capital work-in-progress	4	986,417,374	962,461,441	774,369,054
(c) Financial Assets				
(i) Loans	5	8,543,121	7,667,482	6,969,199
(d) Other non-current assets	6	46,963,236	47,813,754	48,564,145
		1,059,096,976	1,037,414,229	852,804,771
2 Current assets				
(a) Financial Assets				
(i) Current investments	7	219,444,158	218,777,113	-
(ii) Cash and cash equivalents	8	753,163	3,734,289	143,099,087
(iii) Bank balances other than (ii) above	8	1,774,468	1,648,214	1,520,616
(iv) Other financial assets	9	118,393	125,340	125,432
(b) Other current assets	6	670,353	681,619	665,707
		222,760,535	224,966,575	145,410,842
Total		1,281,857,511	1,262,380,804	998,215,613
I EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	10	931,100,000	931,100,000	804,600,000
(b) Other Equity	10	136,612,524	128,237,867	120,358,598
		1,067,712,524	1,059,337,867	924,958,598
2 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	65,650,754	57,087,612	49,641,402
		65,650,754	57,087,612	49,641,402
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	3,600,000	2,800,000	2,800,000
(ii) Trade payables	12	5,563,607	3,847,203	1,590,076
(iii) Other financial liabilities	13	138,989,758	139,004,170	19,006,301
(b) Other current liabilities	14	340,868	303,952	219,236
		148,494,233	145,955,325	23,615,613
Total		1,281,857,511	1,262,380,804	998,215,613

See accompanying notes to the financial statements

This is the Balance Sheet referred to in our report of even date

for T R Chadha & Co LLP,

Firm Registration No. 006711N

Chartered Accountants

Sd/-

Pravin Jabade

Partner

Membership No. 107196

Place : Hyderabad

Date : 30 June 2017

for and on behalf of the Board

Sd/-

M Balakrishnan

Managing Director

DIN: 07129848

Sd/-

B Uday Kiran

Chief Financial Officer

Sd/-

Tanmay Das

Director

DIN: 00680042

Sd/-

M Sharath Chandra

Company Secretary

KSK Dibbin Hydro Power Private Limited**Statement of Profit and Loss for the year ended 31 March 2017***(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Notes	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
I Other Income	15	11,663,203	12,182,795
Total revenue		11,663,203	12,182,795
II Expenses			
Other expenses	16	126,600	392,958
Finance cost	17	863,639	764,283
Depreciation & amortization expense	4	2,298,307	3,146,285
Total expenses		3,288,546	4,303,526
III Profit before tax (I - II)		8,374,657	7,879,269
IV Total Comprehensive Income for the period		8,374,657	7,879,269
V Earnings / (loss) per share			
Basic - face value of Rs.10 per share	21	0.09	0.09
Diluted - face value of Rs.10 per share		0.08	0.07

See accompanying notes to the financial statements

for T R Chadha & Co LLP,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Sd/-
Pravin Jabade
Partner
Membership No. 107196

Sd/-
M Balakrishnan
Managing Director
DIN: 07129848

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Tanmay Das
Director
DIN: 00680042

Place : Hyderabad
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B Uday Kiran
Chief Financial Officer

Sd/-
M Sharath Chandra
Company Secretary

KSK Dibbin Hydro Power Private Limited**Statement of Changes in Equity for the year ended 31 March 2017***(All amounts in Indian Rupees, except share data and where otherwise stated)***10 A. Equity Share Capital**

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Share Capital	93,110,000	-	93,110,000
31 March 2016			
Equity Share Capital	80,460,000	12,650,000	93,110,000

10 B. Other Equity

	Equity component of compound financial instruments	Reserves and Surplus	Total
		Retained Earnings	
Statement of Changes in Equity for the period ended 31 Mar 2017			
Balance at the beginning of the reporting period	120,358,598	7,879,269	128,237,867
Total Comprehensive Income for the year	-	8,374,657	8,374,657
Balance at the end of the reporting period	120,358,598	16,253,926	136,612,524
Statement of Changes in Equity for the period ended 31 Mar 2016			
Balance at the beginning of the reporting period	120,358,598	-	120,358,598
Total Comprehensive Income for the year		7,879,269	7,879,269
Balance at the end of the reporting period	120,358,598	7,879,269	128,237,867

KSK Dibbin Hydro Power Private Limited**Cash Flow Statement for the year ended 31 March 2017***(All amounts in Indian Rupees, except share data and where otherwise stated)*

	31-Mar-17	31-Mar-16
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	8,374,657	7,879,269
Adjustments for:		
Depreciation and amortisation expenses	2,298,307	3,146,285
Interest income	(132,519)	(141,399)
Dividend income	(10,667,045)	(11,277,113)
Operating profit before working capital changes	(126,600)	(392,958)
Adjustments for:		
Loans and advances	(734)	50,088
Trade payables	1,716,404	2,257,127
Other liabilities and provisions	10,667	567,285
Cash generated from operations	1,599,737	2,481,542
Direct taxes	(13,121)	(13,892)
Net cash from operating activities	1,586,616	2,467,650
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/sale of fixed assets including capital work-in-progress	(15,375,790)	(60,844,640)
(Investment)/redemption of bank deposit	(126,254)	(127,598)
Purchase of investments	(667,045)	(218,777,113)
Dividend received	10,667,045	11,277,113
Interest received	139,466	141,491
Net cash used in investing activities	(5,362,578)	(268,330,747)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of finance cost	(5,164)	(1,701)
Proceeds from issue of shares	-	126,500,000
Proceeds from /(repayment of) short term borrowing (net)	800,000	-
Net cash from financing activities	794,836	126,498,299
Net increase/(decrease) in cash and cash equivalents	(2,981,126)	(139,364,798)
Cash and cash equivalent at the beginning of the year	3,734,289	143,099,087
Cash and cash equivalent at the end of the year	753,163	3,734,289

Notes:

Cash and cash equivalents include:

Cash in hand	39,396	38,631
Balances with banks;		
On current account	713,767	3,695,658
	753,163	3,734,289

This is the cashflow statement referred to in our report of even date

for T R Chadha & Co LLP,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Sd/-
Pravin Jabade
Partner
Membership No. 107196

Sd/-
M Balakrishnan
Managing Director
DIN: 07129848

Sd/-
Tanmay Das
Director
DIN: 00680042

Place : Hyderabad
Date : 30 June 2017

Sd/-
B Uday Kiran
Chief Financial Officer

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M Sharath Chandra
Company Secretary

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

1 Corporate Information

1.1 KSK Dibbin Hydro Power Private Limited (“KDHPPL” or the “Company”), is a Private Limited Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at Jubilee Hills, Hyderabad - 500 033, Telangana.
The financial statements were authorised for issue by the Board of Directors on 7 August 2017.

1.2 Nature of operations

The Company was incorporated on April 9, 2007 for setting up a 120 MW Hydel based Power Plant in Tehsil Nafra, West Kameng District in the State of Arunachal Pradesh.

1.3 Financial period

The financial statements cover the period from 1 April 2016 to 31 March 2017, with comparative figures from 1 April 2015 to 31 March 2016.

1.4 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies Act (Indian Accounting Standards) Rules, 2015. These financial statements of the Company have been prepared on the historical cost convention and on an accrual basis, except for the following:

- 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.

2 Significant Accounting Policies

2.1 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 as incurred.

The present value of the expected costs of decommissioning of the asset after its use is included in the costs of the respective asset, if the recognition criteria for provision are met.

Depreciation is computed based on the useful life of the assets as prescribed under Section 123 of the Companies Act, 2013 read with schedule II of the Companies Act 2013. Depreciation is calculated using straight line method. Depreciation is calculated on a pro-rata basis from the date of installation / capitalization till the date the assets are sold or disposed. Assets costing up to Rs. 10,000/- are fully depreciated in the year of capitalization /acquisition.

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.

KSK Dibbin Hydro Power Private Limited**Notes to the Financial Statements****(All amounts in Indian Rupees, except share data and where otherwise stated)****2.2 Intangible assets**

Intangible assets acquired are separately 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

2.3 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.

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.

2.4 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;

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.

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

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.

2.5 Financial

Initial recognition

Financial assets within the scope of IND AS 109 are classified as:

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

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. Financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables and quoted and unquoted financial assets.

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

Subsequent measurement

The subsequent measurement of financial assets is dependent on their classification and it is as follows:

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.

This category is the most relevant to the Company. 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.

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

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

2.6 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. The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts and other financial liabilities.

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 / capitalised to property plant & equipment when the liabilities are derecognised as well as through the amortisation process.

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

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 effective interest rate.

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 and loss.

2.7 Fair value measurement

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

2.80 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss / capitalised to property, plant & equipment on accrual basis.

2.81 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.

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

2.82 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.

2.83 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.

2.84 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.

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

2.85 Provisions

General

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

2.86 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 charged to the expenditure during construction period pending allocation.

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

In addition, some 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 capitalise 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.

KSK Dibbin Hydro Power Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

3 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:

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.

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.

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. The carrying amounts are analysed in note No.4. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

KSK Dibbin Hydro Power Private Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)
4. Property, Plant and Equipment

Particulars	Gross Block			Depreciation/Amortisation				Net Block		
	As at 1 Apr 2016	Additions	Deletions	As at 31 Mar 2017	As at 1 Apr 2016	For the year	On deletions	As at 31 Mar 2017	As at 31 Mar 2017	As at 31 Mar 2016
Buildings										
- Free hold	415,399	-	-	415,399	14,971	14,930	-	29,902	385,497	400,427
Plant and equipment	19,878,326	-	-	19,878,326	1,783,641	1,778,768	-	3,562,410	16,315,916	18,094,685
Furniture and Fittings	534,086	-	-	534,086	87,823	93,162	-	180,986	353,100	446,262
Computers	4,323	-	-	4,323	1,425	1,421	-	2,846	1,477	2,898
Office equipment	1,181,809	-	-	1,181,809	654,530	410,024	-	1,064,554	117,255	527,280
Vehicles	117,320	-	-	117,320	117,320	-	-	117,320	-	-
Total	22,131,263	-	-	22,131,263	2,659,712	2,298,306	-	4,958,018	17,173,245	19,471,552
Capital work-in-progress									986,417,374	962,461,441
Grand Total	22,131,263	-	-	22,131,263	2,659,712	2,298,306	-	4,958,018	1,003,590,619	981,932,993

Particulars	Gross Block			Depreciation/Amortisation				Net Block		
	As at 1 Apr 2015	Additions	Deletions	As at 31 Mar 2016	As at 1 Apr 2015	For the year	On deletions	As at 31 Mar 2016	As at 31 Mar 2016	As at 1 Apr 2015
Buildings										
- Free hold	415,399			415,399	14,971	14,971		14,971	400,428	415,399
Plant and equipment	19,878,326			19,878,326	1,783,641	1,783,641		1,783,641	18,094,685	19,878,326
Furniture and Fittings	782,648	68,155	316,717	534,086	119,643	119,643	31,819	87,824	446,262	782,648
Computers	4,323			4,323	1,425	1,425		1,425	2,898	4,323
Office equipment	1,704,357	34,990	557,538	1,181,809	1,109,287	1,109,287	454,756	654,531	527,278	1,704,357
Vehicles	117,320			117,320	117,320	117,320		117,320	-	117,320
Total	22,902,373	103,145	874,255	22,131,263	-	3,146,287	486,575	2,659,712	19,471,552	22,902,373
Capital work-in-progress									962,461,441	774,369,054

KSK Dibbin Hydro Power Private Limited**Notes to financial statements***(All amounts in Indian Rupees, except share data and where otherwise stated)***5 Loans**

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Long-term loans			
Unsecured, considered good			
Security Deposits	8,543,121	7,667,482	6,969,199
	8,543,121	7,667,482	6,969,199

6 Other assets

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Other non-current assets			
Capital Advances	42,165,690	42,165,690	42,165,690
Prepaid expenses	4,732,979	5,596,618	6,360,901
Advance tax (net of provision for tax)	64,567	51,446	37,554
	46,963,236	47,813,754	48,564,145
Other current assets			
Advance for supplier/expenses	115,703	95,734	75,000
Prepaid expenses (Refer note below)	554,650	585,885	590,707
	670,353	681,619	665,707
	47,633,589	48,495,373	49,229,852

Note :

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/(liability)

	As at 31 Mar 2017	As at 31 Mar 2016
Defined benefit obligation	251,478	237,477
Fair value of plan assets	(806,128)	(823,362)
Unrecognized Actuarial Gain (Loss) recognized at the end of year	-	-
Unrecognized past service cost - non vested benefit	-	-
Benefit liability	(554,650)	(585,885)

KSK Dibbin Hydro Power Private Limited**Notes to financial statements***(All amounts in Indian Rupees, except share data and where otherwise stated)***B Changes in the present value of the defined benefit obligation are as follows**

	As at 31 Mar 2017	As at 31 Mar 2016
Defined benefit obligation as at the beginning of the year	237,477	515,035
Included in income statement		-
Current service cost	133,977	134,539
Interest cost	18,510	40,104
	<u>152,487</u>	<u>174,643</u>
Included in other comprehensive income		-
Remeasurement (or actuarial) (gain)/loss arising from		-
- Change in financial assumption	22,090	(1,678)
- Experience variance (i.e. Actual experience vs assumptions)	(76,689)	(73,406)
	<u>(54,599)</u>	<u>(75,084)</u>
Others		
Benefits paid	(83,887)	(377,117)
	<u>(83,887)</u>	<u>(377,117)</u>
Defined benefit obligation as at the end of the year	251,478	237,477

C. Changes in the fair value of plan assets are as follows

	As at 31 Mar 2017	As at 31 Mar 2016
Fair Value of Plan Assets		
Fair value of plan assets beginning of the period	823,362	1,105,742
Included in income statement		
Interest income	64,177	86,099
	<u>64,177</u>	<u>86,099</u>
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	(7,567)	2,989
	<u>(7,567)</u>	<u>2,989</u>
Others		
Contributions	10,044	5,648
Benefits Paid	(83,887)	(377,117)
	<u>(73,843)</u>	<u>(371,469)</u>
Fair value of plan assets end of the period	806,128	823,362

KSK Dibbin Hydro Power Private Limited**Notes to financial statements***(All amounts in Indian Rupees, except share data and where otherwise stated)***Net defined benefit liability (asset)**

	As at 31 Mar 2017	As at 31 Mar 2016
Balance	(585,885)	(590,707)
Included in income statement		
Current service cost	133,977	134,539
Interest cost / (income)	(45,667)	(45,996)
	88,310	88,543
Remeasurement loss / (gain)		
Change in financial assumptions	22,090	(1,678)
Actuarial losses/(gains) on obligation	7,567	(2,989)
Experience variance (i.e. Actual experience vs assumptions)	(76,689)	(73,406)
	(47,032)	(78,073)
Others		
Contributions by employer	(10,044)	(5,648)
Benefits paid	-	-
	(10,044)	(5,648)
Defined benefit obligation as at the end of the year	(554,650)	(585,885)

Experience history

	Year ended	
	31 Mar 2017	31 Mar 2016
Defined benefit obligation	251,478	237,477
Fair value of plan assets	806,128	823,362
Net defined benefit obligation/(asset)	(554,650)	(585,885)
Experience adjustments		
- on plan liabilities	(54,599)	(75,084)
- on plan assets	(7,567)	2,989

Asset information

Category of Assets	As at	
	31 Mar 2017	31 Mar 2016
Insurer managed funds	100%	100%

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

	As at 31 Mar 2017	As at 31 Mar 2016
Discount rate	7.45%	7.80%
Rate of increase in compensation levels	10.00%	10.00%

Sensitivity analysis

	As at 31 Mar 2017		As at 31 Mar 2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1% movement)	76,598	(57,843)	63,258	(48,741)
Salary Growth Rate (- / + 1% movement)	(57,128)	73,797	(48,270)	61,191
Attrition rate (- / + 50%)	52,668	(46,860)	31,060	(26,604)
Mortality Rate (- / + 10%)	425	(423)	286	(284)

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities 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.

KSK Dibbin Hydro Power Private Limited**Notes to financial statements***(All amounts in Indian Rupees, except share data and where otherwise stated)***7 Current investments**

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
(quoted, fully paid up)			
Investments in Mutual Funds			
IDFC Mutual funds			
21,703,292.237 units of Rs.10.1111; (31 Mar 2016 each 218,476.424 units of Rs.1,001.3763 each; 1 Apr 2015 - Nil)	219,444,158	218,777,113	-
	219,444,158	218,777,113	-

8 Cash and cash equivalents

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Balances with banks;			
On current account	713,767	3,695,658	143,064,081
Cash on hand	39,396	38,631	35,006
	753,163	3,734,289	143,099,087
Cash and bank balances			
Deposits with banks held as margin money/security against guarantees or borrowings	1,774,468	1,648,214	1,520,616
	1,774,468	1,648,214	1,520,616
	2,527,631	5,382,503	144,619,703

9 Other financial assets

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Interest accrued on deposits	118,393	125,340	125,432
	118,393	125,340	125,432

KSK Dibbin Hydro Power Private Limited**Notes to financial statements***(All amounts in Indian Rupees, except share data and where otherwise stated)***10 Share Capital**

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Authorized:			
9,40,00,000 (31 Mar 2016-9,40,00,000; 1 Apr 2015-9,40,00,000) equity shares of Rs. 10/- each	940,000,000	940,000,000	940,000,000
	940,000,000	940,000,000	940,000,000
Issued, subscribed and paid up:			
9,31,10,000 (31 Mar 2016 - 9,31,10,000; 1 Apr 2015 - 8,04,60,000) equity shares of Rs.10/- each fully paid-up	931,100,000	931,100,000	804,600,000
	931,100,000	931,100,000	804,600,000
Notes:			
(a) Reconciliation of number of shares outstanding			
<i>Outstanding at the beginning of the year</i>	93,110,000	80,460,000	80,460,000
<i>Issued during the year</i>	-	12,650,000	-
<i>Outstanding at the end of the year</i>	93,110,000	93,110,000	80,460,000
(b) Details of more than 5% shareholding			
	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Name of the shareholder			
Fully paid up shares			
KSK Energy Ventures Limited			
Number of shares held	65,180,000	65,180,000	65,180,000
Percentage of shareholding	70.00	70.00	81.01
North Eastern Electric Power Corporation Limited			
Number of shares held	27,930,000	27,930,000	15,280,000
Percentage of shareholding	30.00	30.00	18.99
Total percentage of holding	100.00	100.00	100.00

KSK Dibbin Hydro Power Private Limited**Notes to financial statements***(All amounts in Indian Rupees, except share data and where otherwise stated)***11 Borrowings**

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Long-term borrowings			
Unsecured			
Bonds/Debentures			
Debentures (<i>Refer note below</i>)	65,650,754	57,087,612	49,641,402
	65,650,754	57,087,612	49,641,402
Short-term borrowings			
Unsecured			
Loans and advances from related parties	3,600,000	2,800,000	2,800,000
	3,600,000	2,800,000	2,800,000
	69,250,754	59,887,612	52,441,402

Note :

The company has issued 15,460,000 optionally convertible redeemable debentures of Rs.10/- each to KSK Electricity Financing India Private Limited and 1,540,000 optionally convertible redeemable debentures of Rs.10/- each to KSK Energy Ventures Limited . These debentures carrying a coupon rate of 0.01% per annum are redeemable at the end of 10th year from the date of allotment.

12 Trade payables

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Dues to other than micro and small enterprises	5,563,607	3,847,203	1,590,076
	5,563,607	3,847,203	1,590,076

As at 31 March 2017 (31 Mar 2016 - Rs.Nil; 1Apr 2015 - Rs.Nil) there are no amounts including interest payable to Micro and Small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company.

13 Other Financial Liabilities

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Interest accrued on borrowings	34,766	22,929	7,629
Creditors for capital goods (<i>including retention money</i>)	138,270,412	138,270,412	18,770,412
Salary and bonus payable	684,580	710,829	228,260
	138,989,758	139,004,170	19,006,301

14 Other current liabilities:

	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Statutory Liabilities	340,868	303,952	219,236
	340,868	303,952	219,236

KSK Dibbin Hydro Power Private Limited**Notes to financial statements***(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
15 Other income		
Interest received	132,519	141,399
Unwinding discount on deposits	863,639	764,283
Dividend income	10,667,045	11,277,113
	11,663,203	12,182,795
16 Other expenses		
Remuneration to auditors for audit	80,500	81,540
Loss on sale of fixed assets	-	259,028
Donation / gifts	46,100	52,390
	126,600	392,958
17 Finance cost		
Unwinding discount on deposits	863,639	764,283
	863,639	764,283

18 Tax Reconciliation

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2017 and 31 March 2016 is as follows:

	31 March 2017	31 March 2016
Accounting Profit Before tax	8,374,657	7,879,269
Enacted tax rates	34.608%	34.608%
Tax on Profit at enacted rates	2,898,301	2,726,857
Expenditure not deductible for tax purpose		
Income not taxable for tax purpose	3,990,539	4,167,286
Income exempted or taxed at lower rates	(6,888,841)	(6,894,144)
Actual tax expense	-	-

19 Capital commitments :

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances as at 31 Mar 2017 : Rs.49,93,83,844 (31 Mar 2016 : Rs.49,93,83,844)

20 The Company has entered into certain operating lease agreements. During the year, an amount of Rs.4,83,600 (31 Mar 2016 : Rs.7,11,600) paid under such agreements has been included in "Rent" under expenditure during construction period, pending allocation. These agreements are cancellable in nature.

21 Earnings per share

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Nominal value of equity shares (Rs.per share)	10	10
Weighted average number of equity shares outstanding during the year (used for calculation of basic earnings per share)	93,110,000	91,105,355
Weighted average number of equity shares outstanding during the year (used for calculation of diluted earnings per share)	110,110,000	108,105,355
Profit/(loss) after taxes (in Rs.)	8,374,657	7,879,269
Earnings per share		
- Basic	0.09	0.09
- Diluted	0.08	0.07

KSK Dibbin Hydro Power Private Limited**Notes to the Financial Statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

22 Related party disclosures**a) Parties where control exists:**

S.No.	Name of the related party	Relationship
1	KSK Energy Ventures Limited	Holding company

b) Parties where significant influence exists and where the transactions have taken place during the year:

S.No.	Name of the related party	Relationship
1	KSK Electricity Financing India Private Limited	Fellow subsidiary
2	North Eastern Electric Power Corporation Limited	Enterprises which exercise significant influence

c) Key management personnel

S.No.	Name of the related party	Relationship
1	Mr M Balakrishnan	Managing Director
2	Mr Sujit Kumar Datta	Whole time director
3	Mr. Tanmay Das	Director

d) Particulars of related party transactions during the year and balances outstanding (net):

Particulars	Year ended 31 March 2017				Year ended 31 March 2016			
	Parties where control exists	Parties where significant influence exists	Enterprises which exercise significant influence	Key Management Personnel	Parties where control exists	Parties where significant influence exists	Enterprises which exercise significant influence	Key Management Personnel
(i) Loans taken/(repaid)	800,000	-	-	-	-	-	-	-
(ii) Interest charges	704,879	7,858,263	-	-	614,478	6,848,733	-	-
(iii) Project development expenses	-	-	-	-	-	-	126,500,000	-
(iv) Managerial remuneration	-	-	-	3,201,690	-	-	-	3,115,073
Balances								
(i) Amount payable	6,204,071	63,081,449	126,500,000	-	4,701,269	55,209,272	126,500,000	-
(ii) Managerial remuneration payable	-	-	-	167,734	-	-	-	274,301

23 Disclosure on Specified Bank Notes (SBNs)

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 Nov 2016	36,000	607	36,607
(+) Permitted receipts	-	56,000	56,000
(-) Permitted payments	-	(14,750)	(14,750)
(-) Amount deposited in Banks	(36,000)	-	(36,000)
Closing cash in hand as on 30 Dec 2016	-	41,857	41,857

KSK Dibbin Hydro Power Private Limited
Reconciliation of Balance sheet as at date of transition (1 April 2015)

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment		22,902,373		22,902,373
(b) Capital work in progress		774,369,054		774,369,054
(c) Financial asset				
(i) Loans	1 (a) & (b)	13,240,000	(6,270,801)	6,969,199
(d) Other non-current assets	2	42,203,244	6,360,901	48,564,145
		852,714,671	90,100	852,804,771
2 Current assets				
(a) Financial asset				
(i) Investments		-		-
(ii) Cash and bank balances		143,099,087		143,099,087
(iii) Other bank balances		1,520,616		1,520,616
(iv) Other financial asset		125,432		125,432
(b) Other current assets	1 (b)	755,807	(90,100)	665,707
		145,500,942	(90,100)	145,410,842
		998,215,613	-	998,215,613
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		804,600,000		804,600,000
(b) Other equity	3 (a)	-	120,358,598	120,358,598
Total equity		804,600,000	120,358,598	924,958,598
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	3 (a)	170,000,000	(120,358,598)	49,641,402
		170,000,000	(120,358,598)	49,641,402
3 Current liabilities				
(a) Financial liability				
(i) Borrowings		2,800,000		2,800,000
(ii) Trade payables		1,590,076		1,590,076
(iii) Other financial liabilities		19,006,301		19,006,301
(b) Other current liabilities		219,236		219,236
		23,615,613	-	23,615,613
		998,215,613	-	998,215,613
		-	-	-

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

KSK Dibbin Hydro Power Private Limited
Reconciliation of Balance sheet as at date 31 March 16

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment		19,471,552		19,471,552
(b) Capital work in progress	1	947,135,962	15,325,479	962,461,441
(c) Financial asset				-
(i) Loans	1 (a) & (b)	13,240,000	(5,572,518)	7,667,482
(d) Other non-current assets	2	42,217,136	5,596,618	47,813,754
		1,022,064,650	15,349,579	1,037,414,229
2 Current assets				
(a) Financial asset				
(i) Investments		218,777,113	-	218,777,113
(ii) Cash and bank balances		3,734,289	-	3,734,289
(iii) Other bank balances		1,648,214	-	1,648,214
(iv) Other financial asset		125,340	-	125,340
(b) Other current assets	1 (b)	705,719	(24,100)	681,619
		224,990,675	(24,100)	224,966,575
		1,247,055,325	15,325,479	1,262,380,804
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		931,100,000	-	931,100,000
(b) Other equity	3 (a) & (b)	-	128,237,867	128,237,867
Total equity		931,100,000	128,237,867	1,059,337,867
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	3 (a)	170,000,000	(112,912,388)	57,087,612
		170,000,000	(112,912,388)	57,087,612
3 Current liabilities				
(a) Financial liability				
(i) Borrowings		2,800,000		2,800,000
(ii) Trade payables		3,847,203		3,847,203
(iii) Other financial liabilities		139,004,170		139,004,170
(b) Other current liabilities		303,952		303,952
		145,955,325	-	145,955,325
		1,247,055,325	15,325,479	1,262,380,804
		-	-	-

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

Notes to first time adoption -

Note No.1- Capital work in progress

The expenditure incurred during the construction period pending allocation upto 31 March 2015 was capitalised and grouped under capital work in progress in the books under the previous GAAP. However, with the introduction of INDAS, the Company has opted to retain the capital work in progress in tact as on the date of initial recognition i.e. 1 April 2015 and charged off expenses in the nature of general administration to the profit and loss account thereafter. Further, the Company has also provided for the differential interest on the coupon rate of debentures which were issued carrying an interest rate of 0.01% 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.

Note No.1 (a) & (b)- Loans & other current assets

a) Under previous GAAP, the long term deposit given to Government of Arunachal Pradesh pursuant to the contract has been shown at par value, whereas under IND AS, the deposit is recognised at fair value considering a discount factor @ 13% over a period of 12 years from the date of payment. This has resulted into a decrease in the present value of the deposit.

b) The security deposits given during the normal course of business operations have been regrouped from other current assets to other non current assets.

Note No.2 - Other non-current assets

The difference between the carrying value of the deposit under erstwhile GAAP and the fair valued deposit amount as per INDAS as referred in Note No.2 (a) above is reflected as prepaid expense under other non current assets.

Note No.3 (a) & (b) - Other equity and borrowings

a) The Company has issued 17,000,000 optionally convertible debentures of Rs.10/- each carrying a coupon rate of 0.01% redeemable at the end of 10th year from the date of allotment, which has been shown under long term borrowings under the previous GAAP. However, as per the requirement under the INDAS, the Company has bifurcated the equity component of the said compound financial instrument into debt and other equity. The outstanding value of the debenture has been discounted at 15% over a period of 10 years to arrive at the present value of the debentures at the time of initial recognition. The difference between the carrying value of the debentures under the GAAP and the value of debentures discounted is shown under other equity.

b) In addition to the explanation given under (a) above, the profit for the year ended 31 Mar 2016 also forms part of the other equity component, while no profit and loss account was drawn as on 1 April 2015 in view of capitalisation of expenses incurred. The Company has prepared the profit and loss account for the period ended 31 Mar 2016 onwards duly charging off the expenses in the nature of general administration.

KSK Dibbin Hydro Power Private Limited**Reconciliation of statement of profit and loss for the year ended 31 March 2016.**

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Notes to first-time adoption	Previous GAAP *	Adjustments	IND AS
I Other income	4	-	12,182,795	12,182,795
Total revenue		-	12,182,795	12,182,795
II Expenses				
Other expenses	4		392,958	392,958
Finance costs	4		764,283	764,283
Depreciation and amortisation expenses	4		3,146,285	3,146,285
Total expenses		-	4,303,526	4,303,526
III Profit before tax (I - II)		-	7,879,269	7,879,269
IV Total Comprehensive Income for the period		-	7,879,269	7,879,269

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

Notes to first time adoption -**Note No.4- Other income and expenses**

The profit and loss account is prepared under the INDAS with effect from the year ended 31 March 2016 duly considering the income and expenses in the nature of general administration. However, 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. As a result of this, no number is appearing in previous GAAP column.

KSK Dibbin Hydro Power Private Limited**Reconciliation of total equity as at 31 March 16 and 1 April 2015**

	Notes to first-time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		931,100,000	804,600,000
Adjustments:			
Equity portion of compound financial instrument		120,358,598	120,358,598
Profit for the year		7,879,269	-
Total adjustments		128,237,867	120,358,598
Total equity as per Ind AS		1,059,337,867	924,958,598

The reconciliation of net profit as previously reported (referred to as "Previous GAAP") and IND AS as under:

Particulars	Notes to first-time adoption	Year ended
		31 March 2016
Net profit / (loss) under previous GAAP		-
Dividend & interest income capitalised under GAAP	4	11,418,512
Depreciation capitalised under GAAP	4	(3,146,285)
General administration expenses capitalised under GAAP	4	(392,958)
Net profit / (loss) for the period under IND AS		7,879,269
Other comprehensive income		-
Total comprehensive income		7,879,269

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	5	2,860,608	(392,958)	2,467,650
Net cash from investing activity	5	(268,723,705)	392,958	(268,330,747)
Net cash from financing activities	5	126,498,299	-	126,498,299
Net increase / (decrease) in cash and cash equivalents		(139,364,798)	-	(139,364,798)
Cash and cash equivalents as at 1 April 2015		143,099,087	-	143,099,087
Cash and cash equivalents as at 31 March 2016		3,734,289	-	3,734,289

Notes to first time adoption -

Note No.5-Cashflow

The general office expenses grouped under capital work in progress and reflected under the investing activity under the earlier GAAP are being grouped under operating activity as per INDAS as a result of preparation of profit and loss account for the period ended 31 March 2016.

KSK Dibbin Hydro Power Private Limited**Notes to the financial statements****(All amounts in Indian Rupees, except share data and where otherwise stated)****24 Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprises of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Company also hold investments designated at fair value through profit or loss and debt instrument at amortised cost

The Company is exposed to credit risk and liquidity risk.

The directors review and agree policies for managing each of these risks which are summarised below:

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 Company 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 March 2017	31 March 2016	1 April 2015
Investments - At fair value through profit and loss	7	219,444,158	218,777,113	-
Short term deposits with banks	8	1,774,468	1,648,214	1,520,616
Loans	5	8,543,121	7,667,482	6,969,199
Other financial asset	9	118,393	125,340	125,432
		229,880,140	228,218,149	8,615,247

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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 equity and borrowing at present. The treasury department uses regular forecasts of 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 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 projection. Long-term liquidity needs for a 90 day and a 30 day lookout period are identified monthly.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in construction projects for its power plants.

The following is an analysis of the Company 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	3,600,000	-	170,000,000		173,600,000
Trade and other payables	5,904,475	-	-		5,904,475
Other financial liabilities	138,989,758	-	-		138,989,758
Total	148,494,233	-	170,000,000		318,494,233

KSK Dibbin Hydro Power Private Limited**Notes to the financial statements****(All amounts in Indian Rupees, except share data and where otherwise stated)**

The following is an analysis of the Company 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	2,800,000	-	170,000,000		172,800,000
Trade and other payables	4,151,155	-	-		4,151,155
Other financial liabilities	139,004,170	-	-		139,004,170
Total	145,955,325	-	170,000,000		315,955,325

The following is an analysis of the Company 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	2,800,000	-	170,000,000		172,800,000
Trade and other payables	1,809,312	-	-		1,809,312
Other financial liabilities	19,006,301	-	-		19,006,301
Total	23,615,613	-	170,000,000		193,615,613

Capital management

Capital includes equity attributable to the equity holders and debt.

- 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;
- Periodic review of the existing capitalisation levels in various parts of the business for potential post construction refinancing and any capital release(s) under such refinancing; and
- Fine tune capital deployment decisions to enable adequate return to shareholders.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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	65,650,754	57,087,612	49,641,402
Less : Cash and bank balances	(753,163)	(3,734,289)	(143,099,087)
Net debt	64,897,591	53,353,323	(93,457,685)
Equity	1,067,712,524	1,059,337,867	924,958,598
Total equity	1,067,712,524	1,059,337,867	924,958,598
Net debt to equity ratio	0.06	0.05	(0.10)

KSK Dibbin Hydro Power Private Limited
Notes to the financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

25 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	8,543,121	8,543,121	7,667,482	7,667,482	6,969,199	6,969,199
Total non-current	8,543,121	8,543,121	7,667,482	7,667,482	6,969,199	6,969,199
Current financial assets						
Investments - At fair value through profit and loss	219,444,158	219,444,158	218,777,113	218,777,113	-	-
Cash and bank balances	753,163	753,163	3,734,289	3,734,289	143,099,087	143,099,087
Other bank balances	1,774,468	1,774,468	1,648,214	1,648,214	1,520,616	1,520,616
Other financial asset	118,393	118,393	125,340	125,340	125,432	125,432
Total current	222,090,182	222,090,182	224,284,956	224,284,956	144,745,135	144,745,135
Total	230,633,303	230,633,303	231,952,438	231,952,438	151,714,334	151,714,334
Non- current financial liabilities						
Borrowings	65,650,754	65,650,754	57,087,612	57,087,612	49,641,402	49,641,402
Total non-current	65,650,754	65,650,754	57,087,612	57,087,612	49,641,402	49,641,402
Current financial liabilities						
Borrowings	3,600,000	3,600,000	2,800,000	2,800,000	2,800,000	2,800,000
Trade payables	5,563,607	5,563,607	3,847,203	3,847,203	1,590,076	1,590,076
Other financial liabilities	138,989,758	138,989,758	139,004,170	139,004,170	19,006,301	19,006,301
Total current	148,153,365	148,153,365	145,651,373	145,651,373	23,396,377	23,396,377
Total	213,804,119	213,804,119	202,738,985	202,738,985	73,037,779	73,037,779

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised in to different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that is observable for the asset or liability, either directly or indirectly.
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

KSK Dibbin Hydro Power Private Limited**Notes to the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Debt securities-At fair value through profit and loss	219,444,158			219,444,158
Total	219,444,158	-	-	219,444,158

31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Debt securities-At fair value through profit and loss	218,777,113	-	-	218,777,113
Total	218,777,113	-	-	218,777,113

1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Debt securities-At fair value through profit and loss	-	-	-	-
Total	-	-	-	-

26 Segment Reporting

As the Company is engaged only in the generation and sale of electricity, there are no differing risks and returns attributable to the Company's services or its clients. Pursuant to explanation given in AS 17, "Segment Reporting", no segment disclosure has been made in the financial statements, as the Company has only one business and one geographical segment.

27 Deferred tax

There is no deferred tax asset/liability required to be recognised as per AS-22 "Accounting for taxes on Income" as at balance sheet date.

28 In the opinion of the board, any of the assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated on the balance sheet.

29 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

for **T R Chadha & Co LLP**,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Sd/-
Pravin Jabade
Partner
Membership No. 107196

Sd/-
M Balakrishnan
Managing Director
DIN: 07129848

Sd/-
Tanmay Das
Director
DIN: 00680042

Place : Hyderabad
Date : 30 June 2017

Sd/-
B Uday Kiran
Chief Financial Officer

Sd/-
M Sharath Chandra
Company Secretary