KSK Surya Photovoltaic Venture Limited
Balance Sheet as at 31 March 2017
(All amounts in Indian rupees, except share data and where otherwise stated)

	Note	31 March 2017	31 March 2016	1 April 2015
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	5	861,465	1,693,236	2,500,046
(b) Capital work-in-progress	5	828,448,124	779,527,817	759,200,127
(c) Financial Assets				
(i) Investments	6	72,744,000	72,744,000	72,744,000
(ii) Loans	7	76,008,896	76,009,993	76,009,993
(iii) Other financial assets	8	306,004	283,039	261,799
(d) Other non-current assets	9	77,011,848	80,936,933	83,968,947
		1,055,380,337	**1,011,195,018**	**994,684,912**
2 Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	10	2,111,233	1,137,296	341,241
(ii) Loans	7	352,300,000	358,100,000	66,000,000
(iii) Other financial assets	8	-	25,000	-
(b) Other current assets	9	4,194,801	4,140,763	5,075,584
		358,606,034	**363,403,059**	**71,416,825**
TOTAL		**1,413,986,371**	**1,374,598,077**	**1,066,101,737**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	370,547,180	370,547,180	370,547,180
(b) Other Equity		668,125,113	669,136,805	669,955,516
		1,038,672,293	**1,039,683,985**	**1,040,502,696**
LIABILITIES				
1 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	23,863,829	20,751,157	18,044,484
(b) Provisions	14	97,100	107,068	148,285
		23,960,929	**20,858,225**	**18,192,769**
2 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	347,319,000	303,820,000	7,320,000
(ii) Trade payables	15	190,636	75,525	67,281
(iii) Other financial liabilities	16	901,413	9,178,234	14,491
(b) Other current liabilities	17	2,942,100	982,108	4,500
		351,353,149	**314,055,867**	**7,406,272**
TOTAL		**1,413,986,371**	**1,374,598,077**	**1,066,101,737**

See accompanying notes to the financial statements

As per our report of even date
for Umamaheswara Rao & Co.
Chartered Accountants
Firm registration No.004453S

for and on behalf of the Board

S. Venugopal
Partner
Membership No. 205565

Anil Kumar Kutty
Managing Director
DIN - 00055634

B N Prakash
Director
DIN - 05118633

Place : Hyderabad
Date : 25 May 2017

Manjul Saha
Chief Financial Officer

KSK Surya Photovoltaic Venture 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	Note	31 March 2017	31 March 2016
I	Other income	19	69,802	25,000
	Total revenue		**69,802**	**25,000**
II	**Expenses**			
	Other expenses	20	34,500	55,924
	Depreciation & amortisation expense	5	636,573	806,810
	Total expenses		**671,073**	**862,734**
III	**Profit/(loss) before tax (I - II)**		(601,271)	(837,734)
IV	**Tax expense**			
	(a) Current tax			
	For the period		-	-
	In respect of earlier years		-	560
	Total tax expenses		**-**	**560**
V	**Profit / (loss) after tax (III-IV)**		**(601,271)**	**(838,294)**
VI	**Other Comprehensive Income**			
	(a) (i) Items that will not be reclassified to profit or loss	21	(410,421)	19,583
	Total Other Comprehensive Income for the year		**(410,421)**	**19,583**
VII	**Total Comprehensive Income / (loss) for the year (V+VI)**		**(1,011,692)**	**(818,711)**
VIII	**Earnings / (loss) per share:**			
	(a) Basic - face value of Rs.10 per share		(0.02)	(0.02)
	(b) Diluted- face value of Rs.10 per share		(0.02)	(0.02)

See accompanying notes to the financial statements

As per our report of even date
for Umamaheswara Rao & Co.
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Place: Hyderabad
Date: 25 May 2017

Manjul Saha
Chief Financial Officer

KSK Surya Photovoltaic Venture 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)

A. Equity Share Capital

Particulars	No of Shares	Amount
Equity Share Capital	37,054,718	370,547,180
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2016	**37,054,718**	**370,547,180**
Balance as at 1 April 2016	37,054,718	370,547,180
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2017	**37,054,718**	**370,547,180**

B. Other Equity

	Equity component of compound financial instruments	Reserves and Surplus	items of OCI - Actuarial gains / (losses)	Money received against share warrants	Total
		Retained Earnings			
Balance as at 1 April 2015	54,955,516	-	-	615,000,000	**669,955,516**
Profit / (loss) for the year	-	(838,294)	-	-	**(838,294)**
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Actuarial gain / (loss)	-	-	19,583	-	**19,583**
Total Comprehensive income	**-**	**(838,294)**	**19,583**	**-**	**(818,711)**
Balance as at 31 March 2016	**54,955,516**	**(838,294)**	**19,583**	**615,000,000**	**669,136,805**
Balance as at 1 April 2016	54,955,516	(838,294)	19,583	615,000,000	**669,136,805**
Profit / (loss) for the year	-	(601,271)	-	-	**(601,271)**
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Actuarial gain / (loss)	-	-	(410,421)	-	**(410,421)**
Total Comprehensive income	**-**	**(601,271)**	**(410,421)**	**-**	**(1,011,692)**
Balance as at 31 March 2017	**54,955,516**	**(1,439,565)**	**(390,838)**	**615,000,000**	**668,125,113**

See accompanying notes to the financial statements

As per our report of even date
for Umamaheswara Rao & Co.
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S. Venugopal
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Anil Kumar Kutty
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B N Prakash
Director
DIN - 05118633

Place: Hyderabad
Date: 25 May 2017

Manjul Saha
Chief Financial Officer

KSK Surya Photovoltaic Venture Limited
Cash flow statement for the year ended 31 March 2017
(All amounts in Indian rupees, except share data and where otherwise stated)

	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit /(loss) before tax	(601,271)	(838,294)
Adjustment for		
Depreciation and amortisation expense	636,573	806,810
Others, net	(410,421)	19,583
Operating profit before working capital changes	(375,119)	(11,901)
Adjustments for working capital:		
Trade receivables		-
Loans and advances	3,874,696	928,990
Current liabilities	1,656,309	1,849,968
Cash generated from operations	**5,155,886**	**2,767,057**
Direct taxes (paid) / refund	(2,552)	1,419
Net cash flow from/(usedin) operating activities	**5,153,334**	**2,768,476**
Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress and expenditure during construction period pending allocation)	(7,045,257)	(5,454,783)
Interest received	2,552	2,571
Loans and advances	5,800,000	(292,100,000)
Net cash from/(used in) investing activities	**(1,242,705)**	**(297,552,212)**
Cash flow from financing activities		
Proceed/(repayment) of short term borrowings, net	999,000	296,500,000
Interest paid	(3,935,693)	(920,209)
Net cash from / (used in) financing activities	**(2,936,693)**	**295,579,791**
Net increase/(decrease) in cash and cash equivalents	973,937	796,055
Cash and cash equivalents at the beginning of the year	1,137,296	341,241
Cash and cash equivalents at the end of the year (Refer note.10)	**2,111,233**	**1,137,296**

See accompanying notes to the financial statements

As per our report of even date
for Umamaheswara Rao & Co.
Chartered Accountants
Firm registration No.004453S

for and on behalf of the Board

S. Venugopal
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Place : Hyderabad
Date : 25 May 2017

Manjul Saha
Chief Financial Officer

KSK Surya Photovoltaic Venture Limited
Notes to the financial statements
(All amounts in Indian rupees, except share data and where otherwise stated)

5 Property, plant and equipment

	Furntiure fixtrures	Vehicles	Office equipment	Total	Capital work in progress
Deemed cost					
As at 1 April 2015	1,730,072	758,627	11,347	2,500,046	759,200,127
Additions	-	-	-	-	20,327,690
Disposals/transfers				-	-
As at 31 March 2016	**1,730,072**	**758,627**	**11,347**	**2,500,046**	**779,527,817**
As at 1 April 2016	1,730,072	758,627	11,347	2,500,046	779,527,817
Additions	-	-	-	-	48,920,307
Disposals/transfers	-	(362,455)	-	(362,455)	
As at 31 March 2017	**1,730,072**	**396,172**	**11,347**	**2,137,591**	**828,448,124**
Depreication					
As at 1 April 2015	-	-	-	-	-
Additions	434,896	362,172	9,742	806,810	-
Disposals/transfers	-	-	-	-	-
As at 31 March 2016	**434,896**	**362,172**	**9,742**	**806,810**	**-**
As at 1 April 2016	434,896	362,172	9,742	806,810	-
Additions	433,711	201,257	1,605	636,573	-
Disposals/transfers	-	(167,257)	-	(167,257)	-
As at 31 March 2017	**868,607**	**396,172**	**11,347**	**1,276,126**	**-**
Net book value					
As at 1 April 2015	1,730,072	758,627	11,347	2,500,046	759,200,127
As at 31 March 2016	1,295,176	396,455	1,605	1,693,236	779,527,817
As at 31 March 2017	861,465	-	-	861,465	828,448,124

1 Corporate information

KSK Surya Photovoltaic Venture Limited (the Company), is a Public 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 - 500033, Telangana.

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 27.

The financial statements were authorised for issue by the Board of Directors on 27 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. All amounts have been rounded-off to the nearest Rupees, unless otherwise stated.

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 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 P&L.

Depreciation is computed, based on technical assessment made by technical expert and management estimate, on straight-line 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)
Furntiture & fixtures	1-10
Vehicles	1-8
Office equipment	1-5

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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment 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.

3.2 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.

3.3 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 Company 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 group 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.

3.4 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 as such 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.

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 P&L.

3.5 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.

3.6 Foreign currency translation
In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

3.7 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.

3.8 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.

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.

3.9 Leases

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis.

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 EIR 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 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.

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:

- *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.

- *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.

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6 Investments

	31 March 2017	31 March 2016	1 April 2015
Non current investments			
Investment in equity instruments			
Investment in associate at cost			
(unquoted, fully paid up)			
1,039,200 (31 March 2016: 1,039,200; 1 April 2015: 1,039,200) equtiy shares in Sai Maithili Power Company Private Limited.	72,744,000	72,744,000	72,744,000
	72,744,000	**72,744,000**	**72,744,000**

7 Loans

	31 March 2017	31 March 2016	1 April 2015
Non-current			
Unsecured, considered good			
Advance for investments	70,000,000	70,000,000	70,000,000
Security deposits	6,008,896	6,009,993	6,009,993
	76,008,896	**76,009,993**	**76,009,993**
Current			
Unsecured, considered good			
Loans and advances	352,300,000	358,100,000	66,000,000
	352,300,000	**358,100,000**	**66,000,000**
	428,308,896	**434,109,993**	**142,009,993**

8 Other Financial assets

	31 March 2017	31 March 2016	1 April 2015
Non-current			
Unsecured, considered good			
Deposits with	253,497	253,497	253,497
Interest accrued	52,507	29,542	8,302
	306,004	**283,039**	**261,799**
Current			
Unsecured, considered good			
Other receivables	-	25,000	-
	-	**25,000**	**-**
	306,004	**308,039**	**261,799**

9 Other assets

	31 March 2017	31 March 2016	1 April 2015
Non-current			
Unsecured, considered good			
Prepaid expenses	77,005,295	80,932,932	83,963,527
Advance tax and TDS receivable (net of provision for tax)	6,553	4,001	5,420
	77,011,848	**80,936,933**	**83,968,947**
Current			
Un secured, considered good			
Advances for expenses / to suppliers	12,000	-	400
Prepaid expenses	4,182,801	4,140,763	5,075,184
	4,194,801	**4,140,763**	**5,075,584**
	81,206,649	**85,077,696**	**89,044,531**

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

10 Cash and bank balances

	31 March 2017	31 March 2016	1 April 2015
Cash and cash equivalents			
Cash on hand	49,602	38,162	23,523
Balances with banks:			
On current account	2,061,631	1,099,134	317,718
	2,111,233	**1,137,296**	**341,241**

11 Share capital

	31 March 2017	31 March 2016	1 April 2015
Authorized:			
100,000,000 (31 March 2016: 100,000,000; 1 April 2015: 100,000,000) equity shares of Rs. 10/- each	1,000,000,000	1,000,000,000	1,000,000,000
	1,000,000,000	**1,000,000,000**	**1,000,000,000**
Issued, subscribed and paid up:			
37,054,718 (31 March 2016: 37,054,718; 1 April 2015: 37,054,718) equity shares of Rs. 10/- each	370,547,180	370,547,180	370,547,180
	370,547,180	**370,547,180**	**370,547,180**

a) The company has only one class of equity shares having a par value of Rs 10/- per share. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of share holders.

b. Reconciliation of number of shares outstanding

Particulars	**31 March 2017**	**31 March 2016**
Outstanding at the begining of the year	37,054,718	37,054,718
Issued during the year	-	-
Outstanding at the end of the year	37,054,718	37,054,718

c. Equity shares held by holding company and subsidiaries of stepup holding company

Particulars	**31 March 2017**	**31 March 2016**	**1 April 2015**
Holding Company			
No of shares held	34,544,718	34,544,718	34,544,718
% of shares held	93.23%	93.23%	93.23%
Subsidiaries of Stepup Holding Company			
No of shares held	10,000	10,000	10,000
% of shares held	0.03%	0.03%	0.03%

d. Particulars of the shareholders holding more than 5% of the shares

Name of the shareholder	**31 March 2017**	**31 March 2016**	**1 April 2015**
Equity shares fully paid up			
KSK Energy Ventures Limited (Holding Company)			
No of shares held	34,544,718	34,544,718	34,544,718
% of shares held	93.23%	93.23%	93.23%
Medha Servo Drives Private Limited			
No of shares held	2,500,000	2,500,000	2,500,000
% of shares held	6.75%	6.75%	6.75%

12 Money received against share warrants

During 2014-15, the Company has issued 123,000,000 Warrants of face value of Rs. 10 each to KSK Energy Ventures Limited ("KSKEVL") with an option to apply for and be allotted equivalent number of equity shares of the face value of Rs 10/- each. Pursuant to the same, during 2014-15, Company has received an amount of Rs 615,000,000 from KSKEVL towards initial subscription amount (being 50% of total amount).

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

13 Borrowings

	31 March 2017	31 March 2016	1 April 2015
Non - current			
Unsecured			
Debentures	23,863,829	20,751,157	18,044,484
	23,863,829	**20,751,157**	**18,044,484**
Current			
Unsecured			
Loans and advances	347,319,000	303,820,000	7,320,000
	347,319,000	**303,820,000**	**7,320,000**
	371,182,829	**324,571,157**	**25,364,484**

The company has issued 7,300,000 optionally convertible debentures of Rs.10/- each to Medha Servo Drives Private Limited carrying a coupon rate of zero pecent per annum. These debentures are redeemable/convertible at the end of 10th year from the date of allotment.

14 Provisions

	31 March 2017	31 March 2016	1 April 2015
Non - current			
Provision for employee benefits	97,100	107,068	148,285
	97,100	**107,068**	**148,285**

Note :

1. 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.

A. Net Benefit asset/(liability)

	31 March 2017	31 March 2016
Defined benefit obligation	421,862	537,932
Fair value of plan assets	(324,762)	(430,863)
Benefit liability	**97,100**	**107,069**

B. Defined benefit obligation:

	31 March 2017	31 March 2016
Defined benefit obligation as at the beginning of the year	**537,932**	**508,060**
Included in income statement		
Current service cost	3,737	3,894
Interest cost	41,928	39,560
	45,665	43,454
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	397,879	(13,582)
	397,879	(13,582)
Others		
Benefits paid	(559,614)	-
	(559,614)	-
Defined benefit obligation as at the end of the year	**421,862**	**537,932**

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

C. Fair valueof Plan Assets

	31 March 2017	31 March 2016
Fair Value of Plan Assets		
Fair value of plan assets beginning of the period	**430,864**	**359,775**
Included in income statement		
Interest income	33,583	28,014
	33,583	28,014
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	(12,542)	6,000
	(12,542)	6,000
Others		
Contributions	432,471	37,074
Benefits Paid	(559,614)	-
	(127,143)	37,074
Fair value of plan assets end of the period	**324,762**	**430,863**

Net defined benefit liability (asset)

	31 March 2017	31 March 2016
Balance	**107,068**	**148,285**
Included in income statement		
Current service cost	3,737	3,894
Interest cost / (income)	8,345	11,546
	12,082	15,440
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	410,421	(19,582)
	410,421	(19,582)
Others		
Contributions by employer	(432,471)	(37,074)
Benefits paid	-	-
	(432,471)	(37,074)
Defined benefit obligation as at the end of the year	**97,100**	**107,069**

Asset information

Category of asset	**31 March 2017**	**31 March 2016**
Insurer managed fund	100%	100%

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

	31 March 2017	**31 March 2016**
Discount rate	7.45%	7.80%
Salary escalation	10.00%	10.00%

Sensitivity analysis

	31 March 2017		31 March 2016	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1% movement)	48,580	(43,106)	40,562	(37,343)
Salary Growth Rate (- / + 1% movement)	(1,408)	1,175	(843)	625

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

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

15 Trade payables

	31 March 2017	31 March 2016	1 April 2015
Dues to other than micro and small enterprises	190,636	75,525	67,281
	190,636	**75,525**	**67,281**

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 year end together with interest payable, if any, as required under the said Act are not ascertainable.

16 Other financial liabilitites

	31 March 2017	31 March 2016	1 April 2015
Current			
Interest accrued	390,415	8,258,410	-
Salaries and bonus payable	510,998	919,824	14,491
	901,413	**9,178,234**	**14,491**

17 Other current liabilitites

	31 March 2017	31 March 2016	1 April 2015
Statutory liabilities	2,942,100	982,108	4,500
	2,942,100	**982,108**	**4,500**

18 Tax Reconciliation statement

	31 March 2017	31 March 2016	
Profit as per P&L	(601,271)	(838,294)	
Enacted tax rate	34.608%	34.608%	
Normal Tax	208,088	290,117	
Non recognition of DT on carry forward of losses	(208,088)	(290,117)	
Actual tax	**-**	**-**	**-**

KSK Surya Photovoltaic Venture Limited
Notes to the financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

19 Other income

	31 March 2017	31 March 2016
Miscellaneous income	69,802	25,000
	69,802	**25,000**

20 Other expenses

	31 March 2017	31 March 2016
Auditors' remuneration	34,500	29,625
Miscellaneous expenses	-	26,299
	34,500	**55,924**

21 Other comprehensive income

	31 March 2017	31 March 2016
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans;	(410,421)	19,583
	(410,421)	**19,583**

22 Earnings/(loss) per share (EPS)
The Computation of EPS as per AS 20 is set out below:

	31 March 2017	31 March 2016
Net profit/(loss) after tax	(601,271)	(838,294)
Net profit/(loss) attributable to shareholders for basic / diluted EPS	(601,271)	(838,294)
Weighted average number of shares outstanding for the purpose of calculation of basic and diluted EPS	37,054,718	37,054,718
Earnings/(loss) per share – basic/diluted (in Rs.)	(0.02)	(0.02)

23 Capital commitments and contingent liabilties : Nil

24 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.

25 The Company has only one geographical & business segment and hence no segment disclosure has been made in the financial statements.

KSK Surya Photovoltaic Venture Limited
Notes to the financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

26 Related party disclosures

a) Parties where control exists:

Name of the related party	Nature of relationship
KSK Energy Ventures Limited	Holding Company

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

Name of the related party	Nature of relationship
KSK Energy Company Private Limited	Fellow Subsidiary
SN Nirman Infra Projects Private Limited	Fellow Subsidiary
KSK Electricity Financing India Private Limited	Fellow Subsidiary
Sai Maithli Power Company Private Limited	Associate

c) Key Management Personnel

Name of the related party	Nature of relationship
Anil Kumar Kutty	Managing Director
B.N. Prakash	Director
T. L. Sankar	Director

d) Particulars of related party transactions:

	31 March 2017	
S.No Particulars	**Holding Company**	**Fellow Subsidiary**
Transactions		
Loans taken / (repaid)	999,000	-
Loans and advance given / (repaid)	-	(5,800,000)
Balances at the year end		
Amount payable	999,000	7,820,000
Amount receivable	-	352,300,000

	31 March 2016
S.No Particulars	**Fellow Subsidiary**
Transactions	
Loans taken / (repaid)	500,000
Loans and advance given / (repaid)	292,100,000
Balances at the year end	
Amount payable	7,820,000
Amount receivable	358,100,000

	1 April 2015
S.No Particulars	**Fellow Subsidiary**
Balances at the year end	
Amount payable	7,320,000
Amount receivable	66,000,000

27 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

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.

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.

i) Reconciliation of equity as at 1 April 2015 (date of transition):

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment	1	83,454,815	(80,954,772)	2,500,043
(b) Capital work in progress		759,200,130	-	759,200,130
(c) Financial asset				
(i) Investments		72,744,000	-	72,744,000
(ii) Loans		76,009,993	-	76,009,993
(iii) Other financial asset		261,799	-	261,799
(d) Other non-current assets	1	6,050,601	77,918,346	83,968,947
		997,721,338	(3,036,426)	994,684,912
2 Current assets				
(a) Financial asset				
(i) Cash and bank balances		341,241	-	341,241
(ii) Loans		66,000,000	-	66,000,000
(b) Other current assets	1	2,039,158	3,036,426	5,075,584
		68,380,399	3,036,426	71,416,825
		1,066,101,737	**-**	**1,066,101,737**
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		370,547,180	-	370,547,180
(b) Other equity	2 and 5	615,000,000	54,955,516	669,955,516
		985,547,180	54,955,516	1,040,502,696
1 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	2	73,000,000	(54,955,516)	18,044,484
(b) Provisions		148,285	-	148,285
		73,148,285	(54,955,516)	18,192,769
2 Current liabilities				
(a) Financial liability				
(i) Borrowings		7,320,000	-	7,320,000
(ii) Trade payables		67,281	-	67,281
(iii) Other financial liabilities		14,491	-	14,491
(b) Other current liabilities		4,500	-	4,500
		7,406,272	-	7,406,272
		1,066,101,737	**-**	**1,066,101,737**

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

ii) Reconciliation of equity as at 31 March 2016:

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment	1	79,684,570	(77,991,334)	1,693,236
(b) Capital work in progress	3 and 4	777,566,867	1,960,950	779,527,817
(c) Financial asset				-
(i) Investments		72,744,000	-	72,744,000
(ii) Loans		76,009,993	-	76,009,993
(iii) Other financial asset		283,039	-	283,039
(d) Other non-current assets	1	6,046,717	74,890,216	80,936,933
		1,012,335,186	(1,140,168)	1,011,195,018
2 Current assets				
(a) Financial asset				
(i) Cash and bank balances		1,137,296	-	1,137,296
(ii) Loans		358,100,000	-	358,100,000
(iii) Other financial asset		25,000	-	25,000
(b) Other current assets	1	1,112,633	3,028,130	4,140,763
		360,374,929	3,028,130	363,403,059
		1,372,710,115	**1,887,962**	**1,374,598,077**
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		370,547,180	-	370,547,180
(b) Other equity	2 and 5	615,000,000	54,136,805	669,136,805
		985,547,180	54,136,805	1,039,683,985
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	2	73,000,000	(52,248,843)	20,751,157
(b) Provisions		107,068	-	107,068
		73,107,068	(52,248,843)	20,858,225
3 Current liabilities				
(a) Financial liability				
(i) Borrowings		303,820,000	-	303,820,000
(ii) Trade payables		75,525	-	75,525
(iii) Other financial liabilities		9,178,234	-	9,178,234
(b) Other current liabilities		982,108	-	982,108
		314,055,867	-	314,055,867
		1,372,710,115	**1,887,962**	**1,374,598,077**

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

iii) Reconciliation of total comprehensive income for the year ended 31 March 2016:

		Notes to first-time adoption	Previous GAAP *	Adjustments	IND AS
I	Other income	3	-	25,000	25,000
	Total revenue		**-**	**25,000**	**25,000**
II	**Expenses**				
	Other expenses	3	-	55,924	55,924
	Depreciation and amortisation expenses	3	-	806,810	806,810
	Total expenses		**-**	**862,734**	**862,734**
III	**Profit / (loss) before tax (I - II)**		**-**	**(837,734.00)**	**(837,734.00)**
IV	**Tax expense / (income)**				
	Current tax				
	In respect of earlier years	3	-	560	560
	Total tax expense / (income)		**-**	**560**	**560**
V	**Profit / (loss) after tax (III - IV)**		**-**	**(838,294)**	**(838,294)**
VI	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss	3, 4 and 6	-	19,583	19,583
	Other comprehensive income for the year		**-**	**19,583**	**19,583**
VII	**Total Comprehensive Income / (loss) for the year (V+VI)**		**-**	**(818,711)**	**(818,711)**

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

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	3	2,780,377	(11,901)	2,768,476
Net cash from investing activity	3	(297,564,113)	11,901	(297,552,212)
Net cash from financing activities		295,579,791		295,579,791
Net increase / (decrease) in cash and cash equivalents		796,055	-	796,055
Cash and cash equivalents as at 1 April 2015		341,241	-	341,241
Cash and cash equivalents as at 31 March 2016		1,137,296	-	1,137,296

Notes to first-time adoption:

1 **Lease:**

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.

2 **Compound financial instruments:**

Under Ind AS 32, entities should split compound financial instruments into separate equity and liability components. Ind AS 101 provides that if the liability component is no longer outstanding at the date of transition, a first-time adopter does not have to separate it from the equity component.

Under previous GAAP the total amount of financial instruments was required to be classified under liability. Consequent to above, total equity as at 31 March 2016 increased by Rs. 54,955,516 (1 April 2015: Rs. 54,955,516)

Change in the fair value of liability component at the end of the reporting period is recognised as finance cost for the period. The same has been tranferred to Capital work in progress.

3 **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 Rs. 1,960,950 with corresponding effect in profit or loss for the year ended 31 March 2016.

4 **Re-measurements of post-employment benefit obligations:**

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the Capital work in progress as at March 31, 2016 increased by Rs. 19,583 having corresponding impact on the total equity as at 31 March 2016.

5 **Retained earnings:**

Retained earnings as at 1 April 2015 and 31 March 2016 has been adjusted, consequent to the above Ind AS transition adjustments.

6 **Other comprehensive income:**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

7 **Statement of cash flows:**

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

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

28 Financial risk managament 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.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and Company risk appetite.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments, investment at fair value through profit or loss and derivate financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2017 and 31 March 2016.
The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risk. This is based on the financial asset and financial liabilities held at 31 March 2017 and 31 March 2016.
- The statement of the financial position sensitivity relates to derivatives and available for sale debt instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The majority of our assets are located in India where the Indian rupee is the functional currency. Currency exposures also exist in the nature of capital expenditure and services denominated in currencies other than the Indian Rupee.

Some financial liabilities are not held in the functional currency.

Consequently, currency fluctuations may have a impact on company financial results.

Foreign currency exposures are managed through a group-wide hedging policy. The policy is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

Particulars of Unhedged foreign Currency Exposure

Particulars	As at	
	31 March 2017	31 March 2016
Payable	-	16,036
	-	Euro 230

The company exposure to foreign currency arises where a company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with Euro being the major foreign currency exposure of the company. Set out below is the impact of a 5% change in the Euro on profit and equity arising as a result of the revaluation of the company foreign currency financial instruments:

31 March 2017	Closing exchange rate	Effect of 5% strengthening of Euro € on net earnings	Effect of 5% strengthening of Euro € on total equity
Euro		-	-

31 March 2016	Closing exchange rate	Effect of 5% strengthening of Euro € on net earnings	Effect of 5% strengthening of Euro € on total equity
Euro	69.72174	(802)	(802)

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

Equity price risk

The Company's investment in unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities was Rs. 72,744,000 (31 March 2016 Rs. 72,744,000).

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**
Investment in equity instruments	6	72,744,000	72,744,000	72,744,000
Loans	7	428,308,896	434,109,993	142,009,993
Other financial asset	8	306,004	308,039	261,799
		501,358,900	**507,162,032**	**215,015,792**

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 companys’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 projection. Long-term liquidity needs for a 90 day and a 30 day lookout period are identified monthly.

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	347,319,000	-	73,000,000	420,319,000
Trade and other payables	190,636	-	-	190,636
Other financial liabilities	901,413	-	-	901,413
Total	**348,411,049**	**-**	**73,000,000**	**421,411,049**

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	303,820,000	-	73,000,000	376,820,000
Trade and other payables	75,525	-	-	75,525
Other financial liabilities	9,178,234	-	-	9,178,234
Total	**313,073,759**	**-**	**73,000,000**	**386,073,759**

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	7,320,000	-	73,000,000	80,320,000
Trade and other payables	67,281	-	-	67,281
Other financial liabilities	14,491	-	-	14,491
Total	**7,401,772**	**-**	**73,000,000**	**80,401,772**

(All amounts in Indian rupees, except share data and where 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 2017 and 31 March 2016.

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	371,182,829	324,571,157	25,364,484
Less : Cash and bank balances	(2,111,233)	(1,137,296)	(341,241)
Net debt	**369,071,596**	**323,433,861**	**25,023,243**
Equity	1,038,672,293	1,039,683,985	1,040,502,696
Total equity	**1,038,672,293**	**1,039,683,985**	**1,040,502,696**
Net debt to equity ratio	**0.36**	**0.31**	**0.02**

29 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						
Investments in equity instruments	72,744,000	72,744,000	72,744,000	72,744,000	72,744,000	72,744,000
Loans	76,008,896	76,008,896	76,009,993	76,009,993	76,009,993	76,009,993
Other financial asset	306,004	306,004	283,039	283,039	261,799	261,799
Total non-current	**149,058,900**	**149,058,900**	**149,037,032**	**149,037,032**	**149,015,792**	**149,015,792**
Current financial assets						
Cash and bank balances	2,111,233	2,111,233	1,137,296	1,137,296	341,241	341,241
Loans	352,300,000	352,300,000	358,100,000	358,100,000	66,000,000	66,000,000
Other financial asset	-	-	25,000	25,000	-	-
Total current	**354,411,233**	**354,411,233**	**359,262,296**	**359,262,296**	**66,341,241**	**66,341,241**
Total	**503,470,133**	**503,470,133**	**508,299,328**	**508,299,328**	**215,357,033**	**215,357,033**
Non- current financial liabilities						
Borrowings	23,863,829	23,863,829	20,751,157	20,751,157	18,044,484	18,044,484
Total non-current	**23,863,829**	**23,863,829**	**20,751,157**	**20,751,157**	**18,044,484**	**18,044,484**
Current financial liabilities						
Borrowings	347,319,000	347,319,000	303,820,000	303,820,000	7,320,000	7,320,000
Trade payables	190,636	190,636	75,525	75,525	67,281	67,281
Other financial liabilities	901,413	901,413	9,178,234	9,178,234	14,491	14,491
Total current	**348,411,049**	**348,411,049**	**313,073,759**	**313,073,759**	**7,401,772**	**7,401,772**
Total	**372,274,878**	**372,274,878**	**333,824,916**	**333,824,916**	**25,446,256**	**25,446,256**

28 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	41,500	629	42,129

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

(+) Permitted receipts	-	20,000	20,000
(-) Permitted payments	-	(418)	(418)
(-) Amount deposited in Banks	(41,500)	-	(41,500)
Closing cash in hand as on December 30, 2016	-	20,211	20,211

* It is further stated that 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 report of even date
for Umamaheswara Rao & Co.
Chartered Accountants
Firm registration No.004453S

for and on behalf of the Board

S. Venugopal
Partner
Membership No. 205565

Anil Kumar Kutty
Managing Director
DIN - 00055634

B.N.Prakash
Director
DIN - 05118633

Place : Hyderabad
Date : 25 May 2017

Manjul Saha
Chief Financial Officer