Sitapuram Power Limited

Balance sheet

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

		Note	31 Mar 2017	31 Mar 2016	01 Apr 2015
I	**ASSETS**				
	1 Non-current assets				
	(a) Property, Plant and Equipment	5	119.47	120.87	126.63
	(b) Capital work in progress	5	0.31	0.00	-
	(c) Intangible assets	6	0.22	0.00	0.01
	(d) Intangible assets under development	6	-	0.25	0.25
	(e) Financial Assets				
	(i) Trade receivables	7	9.94	8.65	7.52
	(ii) Loans	8	22.55	19.48	21.25
	(iii) Other financial assets	9	7.65	7.10	6.64
	(f) Other non-current assets	10	0.64	0.46	0.52
			160.78	**156.80**	**162.83**
	2 Current assets				
	(a) Inventories	11	5.94	9.29	9.66
	(b) Financial assets				
	(i) Trade receivables	7	14.46	20.92	18.09
	(ii) Loans	8	4.80	3.50	-
	(iii) Cash and cash equivalents	12	0.81	2.95	2.85
	(iv) Other bank balances	13	0.69	0.63	12.02
	(v) Other financial assets	9	0.06	0.05	0.27
	(c) Other current assets	10	8.28	4.99	5.39
			35.04	**42.34**	**48.28**
	TOTAL		**195.83**	**199.14**	**211.10**
I	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share capital	14	1.00	1.00	1.00
	(b) Other Equity		(7.43)	(5.78)	(4.83)
			(6.43)	**(4.78)**	**(3.83)**
	1 Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	15	81.52	91.46	101.52
	(ii) Other financial liabilities	20	36.81	33.36	29.91
	(b) Provisions	17	0.25	0.32	0.15
	(c) Deferred tax liabilities, net	16	8.46	6.81	4.50
	(d) Other liabilities	18	21.19	23.23	25.26
			148.23	**155.18**	**161.34**
	2 Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	15	11.31	13.06	10.81
	(ii) Trade payables	19	19.64	16.10	24.43
	(iii) Other financial liabilities	20	17.67	15.15	15.10
	(b) Other liabilities	18	4.05	3.76	3.20
	(c) Current Tax Liabilities, net		1.36	0.67	0.05
			54.03	**48.75**	**53.59**
	TOTAL		**195.83**	**199.14**	**211.10**

See accompanying notes ot financial statements

for **and on behalf of the Board**

S.Venkatesh
Managing Director & CFO
DIN: 05267026

S. Kishore
Director
DIN: 00006627

Place: Hyderabad
Date: 06-09-2017

Subir Boity
Company Secretary

Sitapuram Power Limited
Statement of profit and loss
(All amounts are in ₹ Crores, unless otherwise stated)

	Note	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue from operations	21	124.16	154.39
Other income	22	4.80	5.12
Total revenue		**128.96**	**159.50**
Expenses			
Cost of fuel consumed	23	85.46	108.12
Employee benefits expenses	24	3.75	3.45
Finance costs	25	16.32	17.57
Other expenses	26	15.57	21.87
Depreciation and amortisation expenses	5&6	6.47	6.27
Total expenses		**127.57**	**157.29**
Profit before tax		**1.39**	**2.22**
Tax expense	28	3.04	3.06
Loss for the year after tax		**(1.65)**	**(0.84)**
Other comprehensive Income			
(i) Items that will not be reclassified to profit & loss			
Remeasurement of defined benefit plans	27	(0.00)	(0.12)
Other comprehensive loss		**(0.00)**	**(0.12)**
Total comprehensive loss for the year		**(1.65)**	**(0.96)**
Earning / (loss) per share (per value of ₹ 10 each)	30		
Basic		(16.49)	(8.40)
Diluted		(16.49)	(8.40)

See accompanying notes ot financial statements

for **and on behalf of the Board**

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Managing Director & CFO
DIN: 05267026

S. Kishore
Director
DIN: 00006627

Place: Hyderabad
Date: 06-09-2017

Subir Boity
Company Secretary

Sitapuram Power Limited
Statement of Changes in Equity
(All amounts are in ₹ Crores, unless otherwise stated)

A.Equity Share Capital

Particulars	No of Shares	Amount
Balance as at 1 April, 2015	1,000,000	1.00
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2016	**1,000,000**	**1.00**
Balance as at 1 April, 2016	**1,000,000**	**1.00**
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2017	**1,000,000**	**1.00**

B.Other Equity

Particulars	Retained earnings	Total
Balance as at 1st April, 2015	**(4.83)**	**(4.83)**
(Loss) profit for the year	(0.84)	(0.84)
Remeasurement of defined benefit plans, net of tax	(0.12)	(0.12)
Total comprehensive (loss) profit for the year	**(0.96)**	**(0.96)**
Balance as at 31 March 2016	**(5.78)**	**(5.78)**
Balance as at 1 April, 2016	(5.78)	(5.78)
(Loss) profit for the year	(1.65)	(1.65)
Remeasurement of defined benefit plans, net of tax	(0.00)	(0.00)
Total comprehensive (loss) profit for the year	**(1.65)**	**(1.65)**
Balance as at 31 March 2017	**(7.43)**	**(7.43)**

See accompanying notes ot financial statements

for **and on behalf of the Board**

S.Venkatesh
Managing Director & CFO
DIN: 05267026

S. Kishore
Director
DIN: 00006627

Place: Hyderabad
Date: 06-09-2017

Subir Boity
Company Secretary

Sitapuram Power Limited

Cash flow statement

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

Particulars	Note	31 March 2017	31 March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1.39	2.22
Adjustments for:			
Depreciation and amortisation		6.47	6.27
Profit on sale of fixed assets		(0.02)	
Interest income		(0.72)	(1.15)
Deferred revenue		(2.74)	(2.74)
Unwiding of discount		(1.30)	(1.13)
Other compressive inome/(loss)		(0.00)	(0.12)
Provision for dividend distribution tax		0.70	0.70
Bad debts/receivable written off		0.00	6.97
Finance cost		16.32	17.57
Operating profit before working capital changes		**20.11**	**28.60**
Working capital changes:			
(Increase) / decrease in trade receivables		6.46	(2.83)
(Increase) / decrease in other current assets		(3.56)	0.50
(Increase) / decrease in inventories		3.35	0.37
(Increase) / decrease in loans and advances		(0.00)	(5.19)
Increase / (decrease) in trade payables		3.53	(8.33)
Increase / (decrease) other liabilities and provisions		0.51	1.14
Cash generated from operations		**30.40**	**14.26**
Taxes (paid) / refund		(0.60)	(0.12)
Net cash from operating activities (A)		**29.79**	**14.15**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets including capital work-in-progress		(3.02)	(0.66)
Investment/redemption of deposits (held as margin money)		(0.05)	11.46
Sale of fixed assets		0.04	0.00
Loans / advances, net		(4.37)	(3.50)
Interest income		0.15	0.83
Net cash from / (used in) investing activities (B)		**(7.25)**	**8.13**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from / (repayment of) short-term borrowings, net		(1.74)	2.25
Repayment of long term borrowings		(11.00)	(11.00)
Payment of finance costs		(11.95)	(13.42)
Net cash from/(used in) financing activities (C)		**(24.69)**	**(22.17)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(2.15)	0.11
Cash and cash equivalents at the beginning of the year	12	2.95	2.85
Cash and cash equivalents at the end of the year	12	**0.81**	**2.95**

See accompanying notes ot financial statements

for **and on behalf of the Board**

S.Venkatesh
Managing Director & CFO
DIN: 05267026

S. Kishore
Director
DIN: 00006627

Subir Boity
Company Secretary

Place: Hyderabad

Date: 06-09-2017

1 Company Information

Sitapuram Power Limited ("the Company") was incorporated on 18 July 2005 and is engaged in the business of generation of electricity. The Registered Office of the Company is located at Dondapadu Village,Mellacheruvu Mandal, Nalgonda Dist.Telangana. Company is engaged in the business of generating and selling power to various customers. The Company commenced its business operations with a coal based power plant of 43 MW capacities at Dondapadu, 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.31

The financial statements were authorised for issue by the Board of Directors on 06-09-2017

2.2 Functional and presentation currency

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

2.3 Basis of measurement

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

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

3 Significant Accounting Policies

3.1 Property, plant and equipment

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

Depreciation is computed, based on technical assessment made by technical expert and management estimate, on 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)
Buildings	10-60
Plant and equipment	2-30
Furntiture & fixtures	1-10
Vehicles	8-10
Office equipment & computers	3-6

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

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

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

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 **Intangible assets**

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

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

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

Nature of asset	**Useful life (years)**
Software	3

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

3.3 **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

3.4 **Financial assets**

Initial recognition & measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

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

Impairment of financial asset

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

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

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

ECL is the difference between all contractual cash flows that are due to the 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.

3.5 **Financial liabilities**

Initial recognition

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Loans and borrowings at amortised cost

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

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.

3.6 **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.

3.7 **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials - purchase cost on Weighted average basis.
- Stores and spares - purchase cost on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8 **Revenue recognition**

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

Sale of electricity : Sale of energy is recognized on accrual basis in accordance with the relevant agreements. Revenue in excess of billing is disclosed as unbilled revenue.

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

3.9 **Taxes**

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

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

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

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

MAT Credit

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

3.10 **Leases**

Company as a lessee

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

3.11 **Borrowing costs**

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

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

3.12 **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.

3.13 Cash and short-term deposits

Cash and short-term deposits in the Balance Sheet comprise cash at banks and on hand and short-term deposits.
For the purpose of the cash flow statement, cash and cash equivalents consist of cash and readily convertible short-term deposits, net of restricted cash and outstanding bank overdrafts.

3.14 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.

3.15 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.

3.16 Employee benefits

Gratuity

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

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

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

Provident fund

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

Employee state Insurance Scheme

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 during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions

Short- term benefits

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

4 Significant accounting judgements, estimates and assumptions

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

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

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

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

Estimates and assumptions

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

- *Estimation of fair value of acquired financial assets and financial liabilities* : When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- *Un-collectability of trade receivables:* Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Further recoverability of various claims as per power purchase agreement are subject to adjudicate at appropriate regulatory authorities.

- *Taxes* : Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.

- *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.

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

5 Property, Plant and Equipment

	Land-Freehold	Buildings & Roads	Plant & Equipment	Furniture fixtures	Vehicles	Office equipment & Computer	Total	Capital work in progress
Deemed cost								
As at 01 April 2015	0.13	28.50	97.70	0.02	0.06	0.22	126.63	-
Additions	-	-	0.47	0.00	-	0.03	0.50	0.00
Disposals/transfers	-	-	-	-	-	(0.02)	(0.02)	-
As at 31 March 2016	**0.13**	**28.50**	**98.18**	**0.03**	**0.06**	**0.23**	**127.12**	**0.00**
As at 01 April 2016	0.13	28.50	98.18	0.03	0.06	0.23	127.12	0.00
Additions	-	0.08	4.71	-	0.20	0.06	5.06	0.31
Disposals/transfers	-	-	-	-	(0.05)	-	(0.05)	(0.00)
As at 31 March 2017	**0.13**	**28.58**	**102.88**	**0.03**	**0.21**	**0.29**	**132.13**	**0.31**
Depreciation								
As at 01 April 2015	-	-	-	-	-	-	-	-
Additions	-	1.09	5.08	0.01	0.02	0.07	6.26	-
Disposals/transfers	-	-	-	-	-	(0.01)	(0.01)	-
As at 31 March 2016	**-**	**1.09**	**5.08**	**0.01**	**0.02**	**0.05**	**6.25**	**-**
As at 01 April 2016	-	1.09	5.08	0.01	0.02	0.05	6.25	-
Additions	-	1.09	5.27	0.01	0.01	0.07	6.45	-
Disposals/transfers	-	-	-	-	(0.03)	-	(0.03)	-
As at 31 March 2017	**-**	**2.18**	**10.36**	**0.01**	**0.00**	**0.12**	**12.67**	**-**
Net book value								
As at 01 April 2015	0.13	28.50	97.70	0.02	0.06	0.22	126.63	-
As at 31 March 2016	0.13	27.41	93.09	0.02	0.04	0.18	120.87	0.00
As at 31 March 2017	0.13	26.41	92.53	0.01	0.21	0.17	119.47	0.31

Note:-Property, plant and equipment with a carrying amount of ₹ 119.78 (31 March 2016: ₹ 120.87; 1 April 2015 ₹. 126.63) is subject to security restrictions. (refer note 15)

6 Intagible assets

	Computer software	Total	Intangible assets under development
Deemed cost			
As at 01 April 2015	0.01	0.01	0.25
Additions	-	-	-
As at 31 March 2016	**0.01**	**0.01**	**0.25**
As at 01 April 2016	0.01	0.01	0.25
Additions	0.25	0.25	(0.25)
As at 31 March 2017	**0.26**	**0.26**	**-**
Depreciation			
As at 01 April 2015			
Additions	0.01	0.01	-
As at 31 March 2016	**0.01**	**0.01**	**-**
As at 01 April 2016	0.01	0.01	-
Additions	0.02	0.02	0
As at 31 March 2017	**0.03**	**0.03**	**-**
Net book value			
As at 01 April 2015	0.01	0.01	0.25
As at 31 March 2016	0.00	0.00	0.25
As at 31 March 2017	0.22	0.22	-

Intangible assets with a carrying amount of ₹ 0.22 (31 March 2016: ₹ 0.25, 01 April 2015: ₹ 0.25) is subject to security restrictions (refer note.15)

7 Trade receivables

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Unsecured and considered good	9.94	8.65	7.52
Total (A)	**9.94**	**8.65**	**7.52**
Current			
Unsecured, considered good	14.46	20.92	18.09
Total (B)	**14.46**	**20.92**	**18.09**
Total (A+B)	**24.40**	**29.56**	**25.60**

Trade receivable of ₹ 24.40 (31 March 2016: ₹ 29.56 ; 1 April 2015: ₹ 25.60) for the Company have been pledged as security for borrowings (refer note 15)

The Company is having majority of receivables from State distribution company which is Government undertaking and and capative consumer who is reputed industrial consumer, hence they are secured from credit losses in the future.

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

8 Loans

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Unsecured, considered good			
Advances to related parties	20.93	17.85	17.85
Security deposit	1.63	1.62	3.40
Total (A)	**22.55**	**19.48**	**21.25**
Current			
Unsecured, considered good			
Other loans and advances	4.80	3.50	-
Total (B)	**4.80**	**3.50**	**-**
Total (A+B)	**27.35**	**22.98**	**21.25**

9 Other financial assets

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Unsecured, considered good			
Interest accrued	2.06	1.51	0.98
Bank Deposit	5.58	5.59	5.66
Total (A)	**7.65**	**7.10**	**6.64**
Current			
Unsecured, considered good			
Interest accrued	0.06	0.05	0.27
Total (B)	**0.06**	**0.05**	**0.27**
Total (A+B)	**7.71**	**7.16**	**6.91**

10 Other assets

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Capital advance	0.06	0.06	0.03
Prepaid expenses	0.28	0.00	0.04
Advance tax and TDS receivable (net of provision for tax)	0.01	0.10	0.10
Other receivables	0.30	0.30	0.35
Total (A)	**0.64**	**0.46**	**0.52**
Current			
Advances to suppliers / for expenses	5.18	2.07	2.64
Prepaid expenses	0.56	0.30	0.30
Unbilled revenue	2.54	2.62	2.45
Total (B)	**8.28**	**4.99**	**5.39**
Total (A+B)	**8.92**	**5.45**	**5.92**

11 Inventories

	31 Mar 2017	31 Mar 2016	01 Apr 2015
(at lower of cost or net realisable value)			
Fuel	1.11	3.65	4.37
Fuel in transit	-	0.23	-
Stores and spares	4.83	5.41	5.28
Stores and spares in transit	-	-	0.01
Total	**5.94**	**9.29**	**9.66**

Inventory of ₹ 5.94 (31 March 2016: ₹ 9.29; 1 April 2015: ₹ 9.66) for the Company is subject to security restrictions (refer note 15)

12 Cash and cash equivalents

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Cash on hand;	0.02	0.01	0.01
Balances with banks;			
on current accounts	0.79	2.94	2.84
Total	**0.81**	**2.95**	**2.85**

13 Bank Balances other than Cash and cash equivalents

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Deposits with bank held as margin money or security against gurantees or borrowings	0.69	0.63	12.02
Total	**0.69**	**0.63**	**12.02**

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

14 Share capital

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Authorised:			
1,000,000 (31 Mar 2016: 1,000,000; 01 Apr 2015:1,000,000) equity shares of ₹10/- each	1.00	1.00	1.00
4,700,000 (31 Mar 2015: 4,700,000) redeemable cumulative preference shares of ₹100 each	47.00	47.00	47.00
	48.00	**48.00**	**48.00**
Issued, Subscribed and Paid up:			
1,000,000 (31 Mar 2016: 1,000,000; 01 Apr 2015:1,000,000) equity shares of ₹10 each fully paid up (refer note (a) below)	1.00	1.00	1.00
	1.00	**1.00**	**1.00**

Notes:

a) Terms/rights attached to equity shares

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

b) Reconciliation of number of shares outstanding

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Equity shares			
Equity shares, fully paid up			
Outstanding at the begining of the year	0.10	0.10	0.10
Issued during the year	-	-	-
Outstanding at the end of the year	0.10	0.10	0.10

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

Name of the shareholder	31-Mar-17	31-Mar-16	1 April 2015
a) Equity shares of ₹10/- each, fully paid up			
Zuari Cement Limited			
No of shares held	0.05	0.05	0.05
% of shares held	50.99%	50.99%	50.99%
KSK Electricity Financing India Private Limited			
No of shares held	0.05	0.05	0.05
% of shares held	49.00%	49.00%	49.00%

d) Equity shares held by holding company

Name of the shareholder	31-Mar-17	31-Mar-16	01-Apr-15
Holding company			
No. of shares held	0.05	0.05	0.05
% of shares held	50.99%	50.99%	50.99%

15 Borrowings

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Secured			
Term loans			
Rupee loan from banks (refer note a)	54.56	65.47	76.38
Unsecured			
Preference shares (refer note.c)			
0.01% redeemable cumulative preference shares	7.45	6.48	5.63
15% redeemable cumulative preference shares	1.96	1.96	1.96
18% redeemable cumulative participating preference shares	17.55	17.55	17.55
Total (A)	**81.52**	**91.46**	**101.52**
Current			
Secured			
Short term borrowings			
Loans repayable on demand			
From banks (refer note b)	11.31	13.06	10.81
Total (B)	**11.31**	**13.06**	**10.81**
Total (A+B)	**92.83**	**104.52**	**112.34**

Notes:

a. Security: First charge on all immovable and movable properties including current assets, both present and future. Pledge of certain equity shares of the company held by KSK Electricity Financing India Private Limited.

The long term rupee loans are repayable in quarterly installments with the last installment of loan is payable by March 2023. The loans carry a weightage average interest rate of 12.85% p.a.

b. Security: First charge on entire block of current assets excluding receivables

c. 0.01% Redeemable preference shares are held by Zuari Cements Limited, the holding company. These shares are redeemable by September 2025 & August 2026.

15% & 18% redeemable preference shares are held by KSK Electricity Financing India Private Limited. These shares are redeemable by September 2025 & August 2026.

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

16 Deferred tax (liability) / assets

Deferred income tax at 31 March 2017 and 31 March 2016 relates to the following:

	01 Apr 2016	Recognised in the income statement	Recognised in other comprehensive income	Others	31 Mar 2017
Deferred income tax assets					
MAT credit	11.94	1.38	-	-	13.33
	11.94	**1.38**	**-**	**-**	**13.33**
Deferred income tax liabilities					
Property, plant and equipment	18.75	3.03	-	-	21.79
	18.75	**3.03**	**-**	**-**	**21.79**
Deferred income tax liabilities, net	**(6.81)**	**(1.65)**	**-**	**-**	**(8.46)**

	01 Apr 2015	Recognised in the income statement	Recognised in other comprehensive income	Others	31 Mar 2016
Deferred income tax assets					
MAT credit	11.20	0.74	-	-	11.94
	11.20	**0.74**	**-**	**-**	**11.94**
Deferred income tax liabilities					
Property, plant and equipment	15.70	3.06	-	-	18.75
	15.70	**3.06**	**-**	**-**	**18.75**
Deferred income tax liabilities, net	**(4.50)**	**(2.32)**	**-**	**-**	**(6.81)**

Company is entitled to avail exemption under section 80IA of the Income Tax Act, 1961 from income tax on profits of business. Based on the assessment of the Company, deferred tax as on 31 March 2017 has been recognized only to the extent the timing differences arising in the current period which does not get reversed within the tax holiday period.

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 Mar 2017	31 Mar 2016
Accountig Pofit Before tax	1	2
Enacted tax rates	34.61%	34.61%
Tax on Profit at enacted rates	0	1
Expenditure not deductible for tax purpose	1.11	1.16
Unrecognised deferred tax assets on carry forward of losses due to 80 IA period	1.25	0.90
Deferred tax on PPE not recognised due to 80 IA period	0.20	0.23
Others	0.00	-
Actual tax expense	**3.04**	**3.06**

17 Provisions

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Long-term provisions			
For employee benefits	0.25	0.32	0.15
Total	**0.25**	**0.32**	**0.15**

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 LIC 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

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

A. Net Benefit liability

	31 Mar 2017	31 Mar 2016
Defined benefit obligation	0.58	0.49
Fair value of plan assets	(0.33)	(0.17)
Benefit Liability	**0.25**	**0.32**

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

	31 Mar 2017	31 Mar 2016
Defined benefit obligation as at the beginning of the year	0.49	0.31
Included in income statement		
Current service cost	0.05	0.06
Interest cost	0.04	0.02
	0.59	**0.39**
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	0.01	0.12
	0.01	**0.12**
Others		
Contributions by employer		
Benefits paid	(0.01)	(0.01)
	(0.01)	**(0.01)**
Defined benefit obligation as at the end of the year	**0.58**	**0.49**

Changes in the fair value of plan assets are as follows

	31 Mar 2017	31 Mar 2016
Fair Value of Plan Assets		
Fair value of plan assets beginning of the year	0.17	0.16
Included in income statement		
Interest income	0.01	0.01
	0.01	**0.01**
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	0.01	0.00
	0.01	**0.00**
Others		
Contributions	0.15	0.01
Benefits Paid	(0.01)	(0.01)
	0.14	**0.00**
Fair value of plan assets end of the period	**0.33**	**0.17**

Net defined benefit liability (asset)

	31 Mar 2017	31 Mar 2016
Balance	0.32	0.15
Included in income statement		
Current service cost	0.05	0.06
Interest cost / (income)	0.03	0.01
	0.08	**0.07**
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	0.00	0.12
	0.00	**0.12**
Others		
Contributions by employer	(0.15)	(0.01)
Benefits paid		
	(0.15)	**(0.01)**
Defined benefit obligation as at the end of the year	**0.25**	**0.32**

Asset information

	As at	
	31 Mar 2017	**31 Mar 2016**
Insurer managed funds	100%	100%

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

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

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

Sensitivity analysis

	31 Mar 2017		31 Mar 2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1% movement)	0.09	(0.07)	0.07	(0.06)
Salary Growth Rate (- / + 1% movement)	(0.04)	0.04	(0.04)	0.03

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

18 Other liabilities

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Deferred revenue	13.70	16.44	19.17
Other liabilities	7.49	6.79	6.09
Total (A)	**21.19**	**23.23**	**25.26**
Current			
Deferred revenue	2.74	2.74	2.74
Statutory liabilities	1.31	1.02	0.46
Total (B)	**4.05**	**3.76**	**3.20**
Total (A+B)	**25.24**	**26.99**	**28.46**

19 Trade payables

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Dues to other than micro and small enterprises	19.64	16.10	24.43
Total	**19.64**	**16.10**	**24.43**

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

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

20 Other financial liabilities

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Interest accrued	36.81	33.36	29.91
Total (A)	**36.81**	**33.36**	**29.91**
Current			
Current maturities of long-term debt	13.66	13.66	13.66
Interest accrued	0.71	0.84	1.08
Creditor for capital goods, including retention money	2.42	0.07	0.19
Salary and bonus payable	0.88	0.58	0.17
Total (B)	**17.67**	**15.15**	**15.10**
Total (A+B)	**54.48**	**48.51**	**45.01**

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

21 Revenue from operations

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Sale of electricity	124.16	154.04
Other operating income	-	0.35
	124.16	**154.39**

22 Other income

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest income on financial instrument	0.72	1.15
Profit on sale of assets	0.02	-
Amortisation of deferred revenue	2.74	2.74
Unwiding of discount on deposit & receivable	1.30	1.13
Miscellaneous income	0.02	0.10
	4.80	**5.12**

23 Cost of fuel consumed

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Consumption of coal	85.46	108.12
	85.46	**108.12**

24 Employee benefit expenses

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Salaries, wages and bonus	3.39	3.11
Contribution to provident and other funds	0.18	0.16
Staff welfare expenses	0.18	0.19
	3.75	**3.45**

25 Finance costs

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest expense	11.54	12.99
Unwinding of discount on redeemable preference shares	0.97	0.84
Interest on Prefereces shares	3.45	3.45
Other borrowing cost	0.36	0.29
	16.32	**17.57**

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

26 Other expenses

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Stores & spares	1.24	1.66
Cost of import power	1.71	1.52
Raw water charges	0.16	0.30
Rent	0.00	0.00
Rates and taxes	0.79	0.79
Printing and stationery	0.01	0.01
Communication expenses	0.06	0.06
Insurance charges	0.26	0.23
Legal and professional charges	0.68	0.24
Transmission and selling charges	2.17	1.85
Travel and conveyance	0.20	0.21
Repairs and maintenance	0.27	0.30
plant and equipment	6.88	6.57
Corporate support service charges	0.49	0.49
Donation / gifts	0.13	0.03
Loans and receivables written off	0.00	6.97
Corporate social responsibilty	0.29	0.30
Miscellaneous expenses	0.21	0.35
	15.57	**21.87**

27 Other Comprehensive Income

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	0.00	0.12
	0.00	**0.12**

28 Tax expense

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Current tax		
For the year	1.38	0.74
Earlier years taxes	0.00	-
Less: MAT credit entitlement	(1.38)	(0.74)
Deferred tax	3.03	3.06
	3.04	**3.06**

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

29 Contingent liabilities & capital commitment

	31 Mar 2017	31 Mar 2016	01 Apr 2015
a.Contingent liabilities			
Claims against the company not acknowledged as debts	0.91	0.91	0.91

Claims against the company not acknowledged as debt ₹ 0.91 (31 March 2016 ₹ 0.91; 01 April 2015 ₹ 0.91)

b.Capital commitments

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Estimated value of contracts reamaning to be executed on capital account not provided for	0.01	0.66	0.65

30 Earning per share

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Net loss attributable to equity share holders	(1.65)	(0.84)
Weighted average number of equity shares outstanding during the year	1,000,000	1,000,000
Basic & diluted EPS	(16.49)	(8.40)
Face value of shares	10/-	10/-

31 First-time adoption of Ind-AS

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

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

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

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

b Derecognition of financial assets and financial liabilities

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

c Classification and measurement of financial assets

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

d Impairment of financial assets

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

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

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

31 Reconciliation of equity as at 1 April 2015

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment		126.63	-	126.63
(b) Other intangible assets		0.01	-	0.01
(c) Intangible assets under development		0.25	-	0.25
(d) Financial asset				
(i) Trade receivables	2	23.00	(15.48)	7.52
(ii) Loans		21.25	-	21.25
(iii) Other financial asset		6.64	-	6.64
(e) Other non-current assets	1	11.73	(11.20)	0.52
		189.51	(26.68)	162.83
2 Current assets		-	-	-
(a) Inventories		9.66	-	9.66
(b) Financial asset				
(i) Trade receivables		18.09	-	18.09
(ii) Cash and bank balances		2.85	-	2.85
(iii) Other bank balances		12.02	-	12.02
(iv) Other financial asset		0.27	-	0.27
(c) Other current assets		5.39	-	5.39
		48.28	-	48.28
		237.79	**(26.68)**	**211.10**
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	5	48.00	(47.00)	1.00
(b) Other equity	9	46.27	(51.10)	(4.83)
Total equity		94.27	(98.10)	(3.83)
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	3&5	77.00	24.52	101.52
(ii) Other financial liabilities	5	-	29.91	29.91
(b) Provisions		0.15	-	0.15
(c) Deferred tax liabilities (net)	1	15.43	(10.93)	4.50
(d) Other non current liabilities	5	-	25.26	25.26
		92.58	68.76	161.34
3 Current liabilities				
(a) Financial liability				
(i) Borrowings		10.81	-	10.81
(ii) Trade payables		24.43	-	24.43
(iii) Other financial liabilities	3	15.19	(0.09)	15.10
(b) Other current liabilities	5	0.46	2.74	3.20
(c) Current Tax liability (Net)		0.05	-	0.05
		50.94	2.65	53.59
		237.79	**(26.68)**	**211.10**

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

Reconciliation of equity as at 31 March 16

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment		120.87	-	120.87
(b) Capital work in progress		0.00	-	0.00
(c) Other intangible assets		0.00	-	0.00
(d) Intangible assets under development		0.25	-	0.25
(e) Financial asset				
(i) Trade receivables	2	23.00	(14.35)	8.65
(ii) Loans		19.48	-	19.48
(iii) Other financial asset		7.10	-	7.10
(f) Other non-current assets	1	12.40	(11.94)	0.46
				-
		183.10	(26.30)	156.80
2 Current assets				
(a) Inventories		9.29	-	9.29
(b) Financial asset				
(i) Trade receivables		20.92	-	20.92
(ii) Cash and bank balances		2.95	-	2.95
(iii) Other bank balances		0.63	-	0.63
(iv) Loans		3.50	-	3.50
(v) Other financial asset		0.05	-	0.05
(c) Other current assets		4.99	-	4.99
		42.34	-	42.34
		225.44	**(26.30)**	**199.14**
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	5	48.00	(47.00)	1.00
(b) Other equity	9	46.77	(52.55)	(5.78)
Total equity		94.77	(99.55)	(4.78)
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	3&5	66.00	25.46	91.46
(ii) Other financial liabilities	5	-	33.36	33.36
(b) Provisions		0.32	-	0.32
(c) Deferred tax liabilities (net)	1	18.25	(11.44)	6.81
(d) Other non current liabilities	5	-	23.23	23.23
		84.57	70.61	155.18
3 Current liabilities				
(a) Financial liability				-
(i) Borrowings		13.06	-	13.06
(ii) Trade payables		16.10	-	16.10
(iii) Other financial liabilities	3	15.24	(0.09)	15.15
(b) Other current liabilities	5	1.02	2.74	3.76
(c) Current Tax liability (Net)		0.67	-	0.67
		46.10	2.65	48.75
		225.44	**(26.30)**	**199.14**

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

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

	Notes to first-time adoption	Previous GAAP *	Adjustments	IND AS
Revenue from operations	8	154.42	(0.03)	154.39
Other income	2&5	1.25	3.87	5.12
Total revenue		**155.67**	**3.83**	**159.50**
Expenses				
Cost of fuel consumed		108.12	-	108.12
Employee benefits expenses	4	3.57	(0.12)	3.45
Finance costs	5	13.19	4.39	17.57
Other expenses	5	21.21	0.67	21.87
Depreciation and amortisation expenses		6.27	-	6.27
Total expenses		**152.35**	**4.94**	**157.29**
Profit / (loss) before tax		**3.32**	**(1.11)**	**2.22**
Tax expense / (income)				
Current tax				
For the year		0.74	-	0.74
Less : MAT credit entitlement		(0.74)	-	(0.74)
Deferred tax	1	2.82	0.24	3.06
Total tax expense / (income)		**2.82**	**0.24**	**3.06**
Profit / (loss) after tax after tax		**0.50**	**(1.34)**	**(0.84)**
Other comprehensive income				
Items that will not be reclassified to profit or loss	4&6	-	(0.12)	(0.12)
Other comprehensive loss for the year		**-**	**(0.12)**	**(0.12)**
Total comprehensive income/(loss)		**0.50**	**(1.46)**	**(0.96)**

* 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		14.15	-	14.15
Net cash from investing activity		8.13	-	8.13
Net cash from financing activities		(22.17)	-	(22.17)
Net increase / (decrease) in cash and cash equivalents		0.00	-	0.11
Cash and cash equivalents as at 1 April 2015		2.85	-	2.85
Cash and cash equivalents as at 31 March 2016		2.85	-	2.95

Notes to First time adoption of Ind AS

1 **Deferred taxes:**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of ₹ 0.27 (31 March 2016: ₹ 0.24).

Moreover as per Ind AS, balance of Mat credit entitlement is recognised under deferred income taxes as the definition of deferred tax assets includes the amounts of income taxes recoverable in future period in respect of the carry forward of unused tax credits also. The same under previous GAAP has been recognised under other non-current assets.

2 Longterm receivable

Under the previous GAAP, interest free longterm receivable (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value.

Accordingly, the group has fair valued these longterm receivable under Ind AS. Difference between the fair value and transaction value of the longterm receivable has been debited to retain earning. Consequent to this change, the amount of longterm receivable decreased by ₹ 14.35 as at 31 March 2016 (1 April 2015 ₹ 15.48).

3 Borrowings:

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss (or capitalised as part of property plant and equipment) as and when incurred.

Accordingly, borrowings as at 31 March 2016 have been reduced by ₹ 0.62 (1 April 2015 ₹ 0.70) with a corresponding adjustment to prepaid expenses.

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 loss for the year ended March 31, 2016 increased by ₹.0.12. There is no impact on the total equity as at 31 March 2016 & 01 April 2015.

5 Redeemable preference shares & deferred revenue

The Company has in issue redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as share capital and dividend payable thereon was treated as distribution of profit.

Under Ind AS, redeemable preference shares are classified as liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the preference share capital is reduced by₹ 47.00 with a corresponding increase in borrowings of 31 March 2016 ₹ 25.99 (01 April 2015 ₹ 25.14) and deferred revenue by 31 March 2016 ₹ 19.17 (01 April 2015 ₹ 21.91) the diference ₹ 0.05 taken to retain earning on 01 April 2015.

Accordingly interest expense and dividend tax for the year is recognised under finance costs and other expenses due to which profit for the year ended 31 March 2016 has reduced by ₹ 4.16 and retained earning by ₹ 41.00 (1 April 2015: ₹ 36.00)

As per Ind AS, difference between contributions received from captive consumers of the Company in the form of preference shares redeemable at the end of the agreement and its fair value are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over life of the term of the relevant agreement. Accordingly profit for the year ended 31 March 2016 has been increased by ₹ 2.74.

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.

8 Revenue:

As per definition of Revenue under Ind AS 18, the Company recognises revenue at the fair value of consideration received or receivable. Any sales incentive, discounts or rebates in any form, including cash discounts given to customers is considered as selling price reductions and accounted as reduction from revenue. Under previous GAAP, some of these costs were included in 'Other expenses'.

9 Retained earnings:

Retained earnings as at 01 April 2015 and as at 31 March 2016 has been adjusted, consequent to the above Ind AS transition

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

32 Financial risk managament objectives and policies

The Company's risk management activities are subject to the management direction and control. 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.

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 two types of risk: interest rate risk and other price risk, such as commodity risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the Company's profit before tax for the year would increase or decrease as follows:

Currency	Change in basis points	Effect on profit after tax / equity	
		31 March 2017	31 March 2016
INR	+50	(0.34)	(0.40)
INR	(50)	0.34	0.40

(b) Commodity price risk

The Company is affected by the price volatility of certain commodities which is moderated by optimising the procurement under fuel supply agreement. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Group monitors its purchases closely to optimise the price.

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
Trade receivables	7	24.40	29.56	25.60
Loans	8	27.35	22.98	21.25
Short term deposits with banks	12	0.69	0.63	12.02
Other financial asset	9	7.71	7.16	6.91
		60.16	**60.33**	**65.79**

The Company has exposure to credit risk from a limited customer group on account of supply of power. However, the Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The credit worthiness of customers to which the Company grants credit in the normal course of the business is monitored regularly. 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 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.

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	32.92	61.66	86.58	181.16
Trade and other payables	19.64	-	-	19.64
Other financial liabilities	4.01	-	36.81	40.82
Total	**56.56**	**61.66**	**123.40**	**241.61**

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

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

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Loan and borrowings	35.47	65.78	103.12	204.37
Trade and other payables	16.10	-	-	16.10
Other financial liabilities	1.49	-	33.36	34.85
Total	**53.06**	**65.78**	**136.48**	**255.32**

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	35.13	72.64	121.47	229.23
Trade and other payables	24.43	-		24.43
Other financial liabilities	1.44	-	29.91	31.35
Total	**60.99**	**72.64**	**151.38**	**285.01**

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

	31 March 2017	31 March 2016	1 April 2015
Total borrowing	106.49	118.18	126.00
Less : Cash and bank balances	(0.81)	(2.95)	(2.85)
less : Other bank balances	(0.69)	(0.63)	(12.02)
Net debt	**105.00**	**114.59**	**111.13**
Equity	(6.43)	(4.78)	(3.83)
Total equity	**(6.43)**	**(4.78)**	**(3.83)**
Net debt to equity ratio	**(16.32)**	**(23.95)**	**(29.03)**

33 Financial Instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Consolidated 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						
Trade receivables	9.94	9.94	8.65	8.65	7.52	7.52
Loans	22.55	22.55	19.48	19.48	21.25	21.25
Other financial asset	7.65	7.65	7.10	7.10	6.64	6.64
Total non-current	**40.14**	**40.14**	**35.23**	**35.23**	**35.41**	**35.41**
Current financial assets						
Trade receivables	14.46	14.46	20.92	20.92	18.09	18.09
Cash and bank balances	0.81	0.81	2.95	2.95	2.85	2.85
Other bank balances	0.69	0.69	0.63	0.63	12.02	12.02
Other financial asset	0.06	0.06	0.05	0.05	0.27	0.27
Total current	**16.02**	**16.02**	**24.56**	**24.56**	**33.23**	**33.23**
Total	**56.16**	**56.16**	**59.78**	**59.78**	**68.64**	**68.64**
Non- current financial liabilities						
Borrowings	81.52	81.52	91.46	91.46	101.52	101.52
Other financial liabilities	36.81	36.81	33.36	33.36	29.91	29.91
Total non-current	**118.33**	**118.33**	**124.82**	**124.82**	**131.43**	**131.43**
Current financial liabilities						
Borrowings	11.31	11.31	13.06	13.06	10.81	10.81
Trade payables	19.64	19.64	16.10	16.10	24.43	24.43
Other financial liabilities	17.67	17.67	15.15	15.15	15.10	15.10
Total current	**48.62**	**48.62**	**44.31**	**44.31**	**50.34**	**50.34**
Total	**166.95**	**166.95**	**169.13**	**169.13**	**181.77**	**181.77**

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

34 Related parties

a.Parties where control exists

Name of the party	**Relationship**
Zuari Cement Limited	Holding company

b.Other related parties with whom transactions have taken place during the period

Name of the related party	**Relationship**
KSK Energy Ventures Limited	Enterprise having significant influence on
KSK Electricity Financing India Private Limited	Enterprise having significant influence on
Sai Lilagar Power Generation Limited	Entity under the common control
V S Lignite Power Private Limited	Entity under the common control

c. Key Management Personnel

Name of the related party	**Nature of relationship**
S Venkatesh	Managing Director & CFO
S Kishore	Director
K A Sastry	Director

d.Particulars of related party transactions

Following is a summary of related party transactions

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
With the Holding Company		
Sale of electricity	86.87	86.67
With the Enterprise having significant influence on the Company		
Corporate support services fee	0.49	0.49
Advances given	3.07	-
With the entity under common control		
Purchase of stores & spares	0.01	0.01

34 Related parties (continued)

e. Balances at the year end

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Holding Company			
Trade receivable and unbilled revenue	2.54	5.93	8.93
Amount payable	7.45	8.44	5.63
Enterprise having significant influence on the Company			
Amount payable	19.52	19.63	19.73
Interest payable	36.81	33.36	30.00
Advance given	20.93	17.85	17.85
Other receivable (other non-current asset)	9.94	8.65	7.52

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

35 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	Total
Closing cash in hand as on November 8, 2016	0.01	0.01	0.02
(+) Permitted receipts	-	0.04	0.04
(-) Permitted payments	-	(0.04)	(0.04)
(-) Amount deposited in Banks	(0.01)	-	(0.01)
Closing cash in hand as on December 30, 2016	-	0.01	0.01

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

36 **Segment information**

As the Company is engaged only in the generation and sale of electricity at Telangana state. Considering the nature of Company's business and operations as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 – "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

for **and on behalf of the Board**

S.Venkatesh
Managing Director & CFO
DIN: 05267026

S. Kishore
Director
DIN: 00006627

Place: Hyderabad
Date: 06-09-2017

Subir Boity
Company Secretary