

J R Power Gen Private Limited**Balance Sheet***(All amounts in Indian Rupees, except share data and where otherwise stated)*

	Note	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	3	76,704,100	76,704,100
2 Non-current liabilities			
Long-term borrowings	4	1,747,200,000	1,747,200,000
3 Current liabilities			
Short-term borrowings	4	70,750,000	60,000,000
Trade payables	5	1,201,828	1,795,127
Other current liabilities	6	2,354,708	5,434,544
		74,306,536	67,229,671
TOTAL		1,898,210,636	1,891,133,771
II. ASSETS			
1 Non-current assets			
Fixed assets	7		
Tangible assets		2,080,420	4,030,486
Capital work in progress		1,611,643,117	1,602,397,437
Long-term loans and advances	9	102,487,228	102,137,350
		1,716,210,765	1,708,565,273
2 Current assets			
Cash and bank balances	8	2,032,034	2,574,792
Short-term loans and advances	9	179,967,837	179,993,706
		181,999,871	182,568,498
TOTAL		1,898,210,636	1,891,133,771

See accompanying notes to financial statements

As per our audit report attached

Anant Rao & Mallik
Chartered Accountants*for* and on behalf of the Board of Directors of
J R Power Gen Private Limited
CIN:U31200TN2007PTC062021**B V Mallikarjuna**
Partner
Membership No.23350
Firm registration No.006266S**V Sambasiva Rao** **N Ramakrishnan**
Director Director
DIN: 00801763 DIN: 00835893Hyderabad
Date: 28.05.16

J R POWER GEN PRIVATE LIMITED

Cash flow statement

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

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustment for working capital changes:		
Loans and advances	25,869	(1,910,244)
Trade payable	(593,299)	(569,681)
Other liabilities and provisions	(464,089)	(9,190,119)
Cash generated from operating activities	(1,031,519)	(11,670,043)
Tax refund / (paid) - (net)	-	407
Net cash from / (used in) operating activities	(1,031,519)	(11,669,636)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(2,224,593)	(9,308,206)
Net cash used from investing activities	(2,574,471)	(9,308,206)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of short term borrowings	10,750,000	24,500,000
Interest paid	(7,686,769)	(3,235,365)
Net cash from financing activities	3,063,231	21,264,635
Net increase in cash and cash equivalents (A+B+C)	(542,758)	286,793
Cash and cash equivalents at the beginning of the year	2,574,792	2,287,999
Cash and cash equivalents at the end of the year	2,032,034	2,574,792

Note :**Cash and cash equivalents includes:**

1 Cash in hand	39,198	15,777
Balances with scheduled banks		
-in current accounts	1,992,836	2,559,015
	2,032,034	2,574,792

2 Previous year figures have been regrouped / reclassified wherever necessary, to conform to current year classification.

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

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

for and on behalf of the Board of Directors of
J R Power Gen Private Limited
CIN:U31200TN2007PTC062021

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

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

Hyderabad
Date: 28.05.16

JR Power Gen Private Limited
Notes to financial statements

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

2. Significant Accounting Policies

1. Accounting Convention:

The financial statements of J R Power Gen Private Limited (or “the Company”) have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted on their accrual including provisions/adjustments for committed obligations and amounts determined as payable or receivable during the accounting period. IGAAP comprises accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 2013. The financial statements are presented in Indian rupees.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of income and expenditure for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3. Cash Flow Statement

Cash flows are reported using the indirect method, where by the net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately.

4. Fixed Assets

Fixed Assets are stated at cost of acquisition *less* depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidentals directly or indirectly attributable to bringing the asset to its working condition for its intended use.

Borrowing costs directly attributable to the acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

All fixed assets are assessed for any indication of impairment at the end of each financial year. On Such indication, the impairment loss (being the excess of carrying value over the recoverable value of the asset) is charged to the profit and loss account in the respective financial year. The impairment loss recognized in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

5. Depreciation

Depreciation is computed based on the useful life of the assets as prescribed in schedule II of the Companies Act 2013, except for assets used in generation and distribution of power where the useful life is determined as per internal technical team. Further, useful life of major component of assets is assessed separately for the purpose of computation of depreciation.

Depreciation is calculated using straight line method. Depreciation is calculated on a pro-rata basis from the date of installation / capitalization till the date the assets are sold or disposed. Assets costing up to Rs. 10,000/- are fully depreciated in the year of capitalization / Acquisition.

Intangible assets, viz., computer software is recognized as per the criteria specified in the Accounting Standard (AS) 26 “Intangible Assets” notified by the Central Government of India under Section 133 of the Companies Act, 2013 and is amortized over a period of three years.

6. Capital Work in Progress:

Capital work in progress is carried at cost and incidental and attributable expenses including interest and depreciation on fixed assets in use during construction are carried as part of “Expenditure During Construction Period, Pending Allocation” to be allocated on major assets on commissioning of the project.

In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-progress.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

7. Employee Benefits:

Contributions payable to the recognized provident fund, which is a defined contribution scheme, is charged to the profit and loss account.

Gratuity, which is a defined benefit, is administered by trustees of Employees Gratuity fund and is funded through a scheme administered by the Life Insurance Corporation of India (‘LIC’). Annual contributions to the fund are made on the basis of an actuarial valuation at the balance sheet date, carried out by an independent actuary.

Actuarial gains and losses arising during the year are recognized in the profit and loss account.

8. Foreign Currency Transaction:

Foreign Currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

At the Balance Sheet, foreign currency monetary items are translated using the closing/contracted rate. Non monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction. The differences in translation of monetary assets and liabilities and realized gains and losses on foreign currency transactions are recognized in the statement of profit and loss account.

Other Exchange differences are recognized as Income or Expense in the period in which they arise.

9. Taxes on Income:

Income tax expense comprises current tax and deferred tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has no legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

10. Provisions and contingencies:

The Company recognizes a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation

J R POWER GEN PRIVATE LIMITED

Notes to financial statements

*(All amounts in Indian Rupees, except share data and where otherwise stated)***3 Share capital**

	As at 31 March 2016	As at 31 March 2015
Authorized:		
100,000,000 (31 Mar 2015: 100,000,000) equity shares of ₹10/- each	1,000,000,000	1,000,000,000
20,000,000 (31 Mar 2015: 20,000,000) preference shares of ₹10/- each	200,000,000	200,000,000
	1,200,000,000	1,200,000,000
Issued, subscribed and paid up:		
7,670,410 (31 Mar 2015: 7,670,410) equity shares of ₹10/- each fully paid-up	76,704,100	76,704,100
Total	76,704,100	76,704,100

1) Particulars of share holders holding more than 5%

Name of the shareholder	As at 31 March 2016	As at 31 March 2015
KSK Energy Ventures Limited (Holding Company)		
No. of shares held	7,660,330	7,660,330
% of shares held	99.87%	99.87%

4 Borrowings

	As at 31 March 2016	As at 31 March 2015
Long-term borrowings		
<i>Unsecured</i>		
Debentures	1,747,200,000	1,747,200,000
	1,747,200,000	1,747,200,000
Short-term borrowings		
<i>Unsecured</i>		
Loans and advances from related parties	60,750,000	-
Loan against depositis	10,000,000	60,000,000
	70,750,000	60,000,000
Total	1,817,950,000	1,807,200,000

On 01-01-2014 the Company has issued optionally convertible redeemable debentures 7,350,000 of ₹.10/- each to KSK Energy Ventures Limited, 143,050,000 of ₹10/- each to KSK Electricity Financing India Private Limited each carrying a coupon rate of 0.01%.

On 30-03-2015 the Company has further issued optionally convertible debentures 24,320,000 of ₹10/- to Sai Regency Power Corporation Private Limited, carrying a coupon rate of 0% per annum. These debentures are redeemable at the end of 10th year from the date of allotment.

J R POWER GEN PRIVATE LIMITED

Notes to financial statements

*(All amounts in Indian Rupees, except share data and where otherwise stated)***5 Trade payable**

	As at 31 March 2016	As at 31 March 2015
Other than micro and small enterprises	1,201,828	1,795,127
Total	1,201,828	1,795,127

31 Mar 2016 (31 Mar 2015: nil) there are no amounts outstanding including interest payable to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the company.

6 Other current liabilities

	As at 31 March 2016	As at 31 March 2015
Interest accrued and due on borrowings	1,644,866	4,799,179
Capital creditors including retention money	431,080	431,080
Statutory liabilities	33,689	72,176
Salary & Bonus payable	245,073	132,109
Total	2,354,708	5,434,544

8 Cash and bank balances

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalent		
Cash on hand	39,198	15,777
Balances with banks; On current account	1,992,836	2,559,015
Total	2,032,034	2,574,792

9 Loans and advances

	As at 31 March 2016	As at 31 March 2015
Long- term		
<i>Unsecured, considered good</i>		
Security deposit	5,000,000	5,000,000
Capital advances	97,487,228	97,137,350
	102,487,228	102,137,350
Short-term		
<i>Unsecured, considered good</i>		
Security deposit	171,234,276	171,234,276
Advance for supplies/expenses	10,036	5,825
Prepaid expenses	2,723,033	2,753,113
Advance tax & tds receivable	492	492
Inter corporate deposits	6,000,000	6,000,000
Total	179,967,837	179,993,706

J R POWER GEN PRIVATE LIMITED

Notes to financial statements

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

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.

Employee benefit plans

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Particulars	As at 31 March 2016	As at 31 March 2015
Benefit obligation at the beginning of the period/year	329,206	3,570,640
Service cost	58,701	101,823
Interest cost	25,634	301,506
Actuarial (gain) / loss	9,508	(3,395,057)
Benefits paid	-	(249,706)
Benefit obligation at the end of the year	423,049	329,206

Particulars	As at 31 March 2016	As at 31 March 2015
Fair value of plan assets at the beginning of year	2,893,841	2,897,900
Expected return on plan assets	261,004	249,574
Actuarial gains / (loss) on plan assets	(108,868)	(3,927)
Employer contributions	100,105	-
Benefits paid	-	(249,706)
Fair value of plan assets at the end of year	3,146,082	2,893,841

Particulars	As at 31 March 2016	As at 31 March 2015
Present value of funded obligations	423,049	329,206
Fair value on plan assets	3,146,082	2,893,841
Funded Status	2,723,033	2,564,635
Amounts in the balance sheet	2,723,033	2,564,635
Net liability / (asset)	2,723,033	2,564,635

Particulars	As at 31 March 2016	As at 31 March 2015
Current service cost	58,701	101,823
Interest on defined benefit obligation	25,634	301,506
Expected return on plan assets	(261,004)	(249,574)
Net actuarial gain / (loss) recognized in the year	118,376	(3,391,130)
Amount included in "personnel expense"	(58,293)	(3,237,375)

Asset information

Category of Assets

Insurer managed funds	100%	100%
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Actuarial gain/loss on account of experience adjustment	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
On account of change in assumption	(1,940)	40,526	(2,075,049)	(53,535)	155,010
On benefit obligation	11,448	(3,435,583)	(664,078)	(2,231,118)	1,093,432
On plan assets	(108,868)	(3,927)	5,462	4,064	2,456

Summary of actuarial assumptions:

Discount rate: The discount rate of 7.80 % (previous year 7.77%) is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: The expected rate of return on plan assets, i.e., 8.00 % (previous year 9.00%) is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations

Salary escalation rate: Salary escalation rate is expected to be 10% (previous year 10%). The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

J R POWER GEN PRIVATE LIMITED

Notes to Financial statements (continued)

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

7 Fixed assets

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01 April 2015	Additions	Deletions	As at 31 March 2016	As at 01 Apr 2015	For the year	Disposals/ Adjustments	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangible assets										
Furniture and fixtures	1,511,966	-	318,432	1,193,534	689,166	105,106	114,348	679,924	513,610	822,800
Vehicles	1,897,854	-	48,778	1,849,076	846,804	241,884	16,499	1,072,189	776,887	1,051,050
Office equipment	3,016,575	10,520	500,622	2,526,473	1,560,921	871,875	396,693	2,036,103	490,370	1,455,654
Computer	2,934,991	-	910,664	2,024,327	2,234,008	401,431	910,665	1,724,774	299,553	700,983
	9,361,386	10,520	1,778,496	7,593,410	5,330,899	1,620,296	1,438,205	5,512,990	2,080,420	4,030,486
Intangible assets										
Computer software	562,359	-	-	562,359	562,359	-	-	562,359	-	-
	562,359	-	-	562,359	562,359	-	-	562,359	-	-
Capital work in progress									1,611,643,117	1,602,397,437
Total	9,923,745	10,520	1,778,496	8,155,769	5,893,258	1,620,296	1,438,205	6,075,349	1,613,723,537	1,606,427,923

As at 31 March 2015									
Tangible assets	9,361,386	-	-	9,361,386	3,121,003	2,209,898	-	5,330,900	4,030,486
Intangible assets	562,359	-	-	562,359	462,952	99,407	-	562,359	-
Capital work in progress									1,602,397,437
Total	9,923,745	-	-	9,923,745	3,583,955	2,309,305	-	5,893,259	1,606,427,923

J R POWER GEN PRIVATE LIMITED**Notes to financial statements (continued)***(All amounts in Indian Rupees, except share data and where otherwise stated)*

10 Estimated value of contracts remaining to be executed on capital account not provided for Nil (31 Mar 2015 Nil).

11 Contingent liabilities: Nil (31 Mar 2015:Nil)

12 Segment reporting

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

13 Deferred tax

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

14 Related party transactions**A. List of related parties and nature of relationship**

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

B. Key management personnel

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

C. Related party transactions

	As at 31 March 2016		As at 31 March 2015	
	Holding Company	Fellow subsidiaries	Holding Company	Fellow subsidiaries
Transactions during the year				
Project Development Fees	-		-	
Interest expense	-		-	
Loan taken	-	60,750,000	24,582,000	-
Repayment of loan	-		24,582,000	-
Share Application Money Received	-		-	-
Refund of Share Application Money		-	-	218,700,000
Balances at the year end				
Amount payable	73,509,913	1,734,642,939	73,503,298	1,673,764,195

Bank guarantees of ₹18,300,000 (31 March 2015: ₹18,300,000) has been provided by the holding company on behalf of the Company.

No transactions have taken place during the period with key managerial personnel.

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

16 In the opinion of the Board of Directors, the current assets have a value of realisation, not less than the value at which they are stated in the balance sheet.

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

for and on behalf of the Board of Directors of
J R Power Gen Private Limited
CIN:U31200TN2007PTC062021

B V Mallikarjuna
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Date: 28.05.16