

KSK Vidarbha Power Company Private Limited**Balance Sheet as at 31 March 2016**

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

	Notes	31 Mar 2016	31 Mar 2015
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	105,000	105,000
		<u>105,000</u>	<u>105,000</u>
(2) Current liabilities			
(a) Short-term borrowings	4	2,045,000	2,020,000
(b) Trade payables	5	28,563	28,090
		<u>2,073,563</u>	<u>2,048,090</u>
TOTAL		<u>2,178,563</u>	<u>2,153,090</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Capital work in progress	6	2,162,384	2,141,990
(b) Non-current investments	7	400	400
		<u>2,162,784</u>	<u>2,142,390</u>
(2) Current assets			
(a) Cash and bank balances	8	15,779	10,700
		<u>15,779</u>	<u>10,700</u>
TOTAL		<u>2,178,563</u>	<u>2,153,090</u>

Significant accounting policy 2

The notes referred to above form an integral part of the financial statements

As per our audit report of even date attached

for Anant Rao & Mallik

Chartered Accountants

Firm Registration No. 006266S

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

Partner

Membership No.23350**S Venkatesh**

Director

DIN: 05267026

V Sambasiva Rao

Director

DIN: 00801763

Place : Hyderabad

Date : 28 May 2016

KSK Vidarbha Power Company Private Limited
Cash flow statement for the year ended 31 March 2016

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

	31 Mar 2016	31 Mar 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/ (loss) before working capital changes	-	-
Trade payables	473	14,045
Cash generated from operations	473	14,045
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(20,394)	(21,135)
Net Cash used in investing activities	(20,394)	(21,135)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/ (repayment of) short term borrowing (net)	25,000	10,000
Net Cash from financing activities	25,000	10,000
Net increase/(decrease) in cash and cash equivalents	5,079	2,910
Cash and cash equivalents at the beginning of the year	10,700	7,790
Cash and cash equivalents at the end of the year	15,779	10,700
Cash and cash equivalents include		
Cash in hand	7,900	5,752
Balances with banks		
-on current accounts	7,879	4,948
Balance considered for cash flow statement	15,779	10,700

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

for Anant Rao & Mallik

Chartered Accountants
Firm Registration No. 006266S

for and on behalf of the Board

B V Mallikarjuna
Partner
Membership No.23350

S Venkatesh
Director
DIN: 05267026

V Sambasiva Rao
Director
DIN: 00801763

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Date : 28 May 2016

KSK Vidarbha Power Company Private Limited

Notes to the financial statements

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

1 Company overview

KSK Vidarbha Power Company Private Limited (“the Company”) was incorporated on 7 October 2005 for the purpose of setting up plant for generation of power .

2 Significant accounting policies

2.1 Accounting convention

The financial statements of KSK Vidarbha Power Company Private Limited (or “the Company”) have been prepared and presented under the historical cost convention on accrual basis in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises accounting standards notified by the Central Government of India under Companies (Accounting standards) Rules, 2006, other pronouncements of ICAI and the provisions of Companies Act, 2013.

2.2 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

2.3 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.

2.4 Fixed assets and depreciation

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.

Depreciation is computed based on the useful life of the assets as prescribed under Section 123 of the Companies Act, 2013 read with schedule II of the Companies Act 2013. Depreciation is calculated using straight line method. Depreciation is calculated on a pro-rata basis from the date of installation / capitalization till the date the assets are sold or disposed.

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.

2.5 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/apportioned 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.

2.6 Foreign currency transaction

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

At the balance sheet date foreign currency monetary items are translated using the closing/contracted rate. Non monetary items denominated in foreign currency are reported at the exchange rate prevailing on the date of transaction. The differences in translation of monetary assets and liabilities and realized gains and losses on foreign currency transactions are recognized under expenditure during construction period, pending allocation.

Other exchange differences are recognized as income or expense in the year in which they arise.

2.7 Retirement benefits

Provident fund

Contributions payable to the recognised provident fund, which is a defined contribution scheme are charged to the expenditure during construction period pending allocation.

Gratuity

Gratuity is a defined benefit plan. The liability is determined based on the actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized immediately under expenditure during construction period pending allocation.

2.8 Borrowing costs

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 other borrowing costs are recognised as an expense in the year in which they are incurred.

2.9 Taxes on income

Income tax expense comprises current tax.

Current tax

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

2.10 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 recognised 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.

KSK Vidarbha Power Company Private Limited**Notes to the financial Statements**

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

3 Share Capital

	31 Mar 2016	31 Mar 2015
Authorized:		
100,000 (31 Mar 2015-100,000) equity shares of Rs.10/- each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, subscribed and paid up:		
10,500 (31 Mar 2015-10,500) equity shares of Rs.10 each fully paid-up	105,000	105,000
	105,000	105,000

Notes :

The above 10,500 (31 Mar 2015-10,500) equity shares of Rs.10 each, fully paid up are held by the holding company, KSK Energy Ventures Limited.

4 Short-term borrowings

	31 Mar 2016	31 Mar 2015
<i>Unsecured</i>		
Loans and advances from related parties	2,045,000	2,020,000
	2,045,000	2,020,000

5 Trade payables

	31 Mar 2016	31 Mar 2015
Dues to other than micro and small enterprises	28,563	28,090
	28,563	28,090

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

6 Capital work in progress

	31 Mar 2016	31 Mar 2015
Expenditure pending allocation		
Travelling and conveyance	69,716	69,716
Professional and consultancy charges	574,033	574,033
Licenses, taxes and legal expenses	550,937	546,837
Miscellaneous expenses	49,967	48,345
Salaries and wages	791,667	791,667
Auditors' remuneration (inclusive of service tax)		
as auditor	120,125	105,607
Bank charges	4,719	4,565
Fringe benefit tax	1,220	1,220
	2,162,384	2,141,990

KSK Vidarbha Power Company Private Limited**Notes to the financial Statements**

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

7 Investments

	31 Mar 2016	31 Mar 2015
Non current investments		
Other investments		
<i>(unquoted, fully paid up)</i>		
Investment in equity instruments		
20 (31 Mar 2015-20) Equity shares of Rs. 10/- each in V S Lignite Power Private Limited	200	200
10 (31 Mar 2015-10) Equity shares of Rs. 10/- each in Sai Lilagar Power Limited	100	100
10 (31 Mar 2015-10) Equity shares of Rs.10/- each in Sitapuram Power Limited	100	100
	400	400

8 Cash and bank balances

	31 Mar 2016	31 Mar 2015
Cash and cash equivalents		
Cash on hand	7,900	5,752
Balances with banks on current account	7,879	4,948
	15,779	10,700

9 Employee benefit plans

The Company does not have any employees on its rolls. Hence, it does not incur any employee related benefits/ costs.

10 Segment Reporting

Pursuant to the explanation in AS 17 on “Segment Reporting”, prescribed by the Companies (Accounting Standards) Rules, 2006, no segment disclosure has been made in these financial statements, as the Company has only one geographical and business segment.

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

S. No.	Nature of the related party	Nature of relationship
1	KSK Energy Ventures Limited	Holding Company
2	V S Lignite Power Private limited	Fellow Subsidiary Company
3	Sai Lilagar Power Limited	Fellow Subsidiary Company
4	Sitapuram Power Limited	Fellow Subsidiary Company

b) Key management personnel

S. No.	Nature of the related party	Nature of relationship
1	K Bapi Raju	Director
2	V Sambasiva Rao	Director
3	S Venkatesh	Director

KSK Vidarbha Power Company Private Limited**Notes to the financial Statements**

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

c) Particulars of related party transactions:

S.No.	Particulars	31 Mar 2016	31 Mar 2015
1	Unsecured Loans accepted		
	KSK Energy Ventures Limited	25,000	10,000

d) Related party transactions - Amount outstanding

S.No	Particulars	31 Mar 2016	31 Mar 2015
1	Loans taken (included in short term borrowings) :		
	KSK Energy Ventures Limited	2,045,000	2,020,000

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

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

For Anant Rao & Mallik
Chartered Accountants
Firm Registration No. 006266S

for and on behalf of the board

B V Mallikarjuna
Partner
Membership No.23350

S Venkatesh
Director
DIN: 05267026

V Sambasiva Rao
Director
DIN: 00801763

Place: Hyderabad
Date : 28 May 2016