

**Sai Regency Power Corporation Private Limited****Balance sheet***(All amounts in Indian rupees, except share data and where otherwise stated)*

Particulars	Note	As at 31 Mar 2016	As at 31 Mar 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	214,800,000	214,800,000
(b) Reserves and surplus	4	3,068,005,715	2,753,307,344
		<u>3,282,805,715</u>	<u>2,968,107,344</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	2,405,065,162	2,757,565,162
(b) Other long term liabilities	6	18,146,429	18,333,512
(c) Long-term provisions	7	3,149,279	1,596,486
		<u>2,426,360,870</u>	<u>2,777,495,160</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	257,249,326	238,926,205
(b) Trade payables	8	178,285,579	148,809,995
(c) Other current liabilities	9	708,932,302	716,137,361
(d) Short-term provisions	7	58,041,014	45,573,969
		<u>1,202,508,221</u>	<u>1,149,447,530</u>
<b>TOTAL</b>		<b><u>6,911,674,806</u></b>	<b><u>6,895,050,034</u></b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		678,464,880	755,421,197
(ii) Intangible assets		-	287,845
(iii) Capital work in progress		42,991,519	9,430
(iv) Intangible assets under development		546,651	546,651
(b) Non current investments	11	3,699,410,000	3,699,410,000
(c) Long-term loans and advances	12	730,122	-
(d) Other non-current assets	13	538,845,365	471,182,130
		<u>4,960,988,537</u>	<u>4,926,857,253</u>
<b>2 Current assets</b>			
(a) Current investments	11	-	41,786,698
(b) Inventories	14	157,887,647	145,244,735
(c) Trade receivables	15	457,636,347	577,009,390
(d) Cash and bank balances	16	179,357,934	275,426,677
(e) Short-term loans and advances	12	1,036,153,387	888,972,091
(f) Other current assets	13	119,650,954	39,753,190
		<u>1,950,686,269</u>	<u>1,968,192,781</u>
<b>TOTAL</b>		<b><u>6,911,674,806</u></b>	<b><u>6,895,050,034</u></b>

See accompanying notes to financial statements

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

for **Umamaheswara Rao & Co**  
Chartered Accountants  
Firm Registration No.004453S

for and on behalf of the Board of Directors of  
**Sai Regency Power Corporation Private Limited**  
CIN: U40105TN2002PTC055046

**(S Venugopal)**  
Partner  
Membership No.205565  
Place : Hyderabad  
Date : 28-05-2016

**N.Ramakrishnan**  
Managing Director & CFO  
DIN - 835893

**S. Kishore**  
Director  
DIN - 00006627

**Asmita Bhatt**  
Company Secretary

**Sai Regency Power Corporation Private Limited****Statement of Profit and loss***All amounts in Indian rupees, except share data and where otherwise stated*

Particulars	Note	Year ended 31 Mar 2016	Year ended 31 Mar 2015
(I) Sale of electricity		2,269,379,519	2,098,454,044
(II) Other income	17	123,138,661	41,502,589
(III) <b>Total revenue (I+II)</b>		<b>2,392,518,180</b>	<b>2,139,956,633</b>
(IV) <b>Expenses</b>			
Cost of fuel consumed	18	1,193,747,433	1,075,217,865
Manufacturing expenses	19	79,149,556	75,124,279
Employee benefit expenses	20	31,608,834	22,756,886
Other expenses	21	283,328,714	158,061,171
Finance costs	22	410,198,246	484,159,157
Depreciation and amortization expense	10	78,523,853	95,910,827
<b>Total expenses</b>		<b>2,076,556,636</b>	<b>1,911,230,185</b>
(V) <b>Profit before Tax (III-IV)</b>		<b>315,961,544</b>	<b>228,726,448</b>
(VI) <b>Tax expense / (income)</b>			
Current tax		69,429,865	50,500,421
Earlier year taxes		1,170,993	-
Less: MAT credit entitlement		(69,337,686)	(31,377,238)
<b>Total tax expenses</b>		<b>1,263,172</b>	<b>19,123,183</b>
(VII) <b>Profit for the year (V-VI)</b>		<b>314,698,372</b>	<b>209,603,265</b>
<b>Earnings per share-par value of ₹10 per share</b>			
Class A - Basic and diluted		0.001	0.001
Class B - Basic		25.18	16.68
Class B - Diluted		18.38	12.24

See accompanying notes to financial statements

This is the statement of profit and loss referred to in our audit report of even date

for **Umamaheswara Rao & Co**  
Chartered Accountants  
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**Sai Regency Power Corporation Private Limited****Cash flow statement***(All amounts in Indian rupees, except share data and where otherwise stated)*

<b>Particulars</b>	<b>31 Mar 2016</b>	<b>31 Mar 2015</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	315,961,544	228,726,448
<b>Adjustments for</b>		
Depreciation and amortisation expenses	78,523,853	95,910,827
Interest income	(113,091,380)	(34,911,145)
Dividend income	(314,017)	(1,820,186)
Finance cost	410,198,246	484,159,157
Bad debts /receivable written off	212,626,489	15,242,707
Loss/(Profit) on sale of fixed assets	492,921	(760,232)
<b>Operating profit before working capital changes</b>	<b>904,397,656</b>	<b>786,547,576</b>
<b>Adjustments for working capital</b>		
Inventories	(12,642,912)	3,594,964
Trade receivables	(93,253,446)	120,279,854
Other current assets	4,207,313	(16,882,788)
Loans and advances	(1,885,395)	626,809
Trade payable	29,475,584	83,488,047
Other liabilities and provisions	(272,512)	(80,841,722)
<b>Cash generated from operations</b>	<b>830,026,288</b>	<b>896,812,740</b>
Direct taxes (paid) / refund, net	(58,133,823)	(73,995,628)
<b>Net cash from operating activities</b>	<b>771,892,465</b>	<b>822,817,112</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work-in-progress and capital advances	(45,359,029)	(1,428,513)
Sale of fixed assets	135,405	13,094,561
Loans / advances, net	(145,476,000)	(806,926,481)
(Investment) / refund in share application money/deposit, net	-	2,119,000,000
Purchase of non current investment	-	(3,456,210,000)
(Purchase) / Sale of short term investments, net	41,786,698	(40,000,000)
Investment/redemption of deposits (held as margin money), net	93,248,035	361,652,060
Dividend income	314,017	33,488
Interest income	28,986,302	50,835,893
<b>Net cash from/(used in) investing activities</b>	<b>(26,364,572)</b>	<b>(1,759,948,992)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of share application money	-	(110,000,000)
Payment of finance costs	(414,171,721)	(478,449,830)
Proceeds from / (repayment of) short term borrowings, net	18,323,121	94,725,535
Proceeds from long term borrowings	-	3,375,000,000
Repayment of long term borrowings	(352,500,000)	(1,955,693,821)
<b>Net cash from/ (used in) financing activities</b>	<b>(748,348,600)</b>	<b>925,581,884</b>
Net (increase/decrease) in cash and cash equivalents	<b>(2,820,707)</b>	<b>(11,549,996)</b>
Cash and cash equivalents at the beginning of the year	41,242,005	52,792,000
<b>Cash and cash equivalents at the end of the year</b>	<b>38,421,298</b>	<b>41,242,005</b>
<b>Notes:</b>		
1 Cash and cash equivalents includes:		
Cash in hand	152,408	137,465
Balances with banks:		
On current account	38,268,890	41,104,540
	<b>38,421,298</b>	<b>41,242,005</b>
2 Previous year figures have been regrouped / reclassified to conform to the classification of the current year.		

This is the Cash Flow Statement referred to in our audit report of even date.

for **Umamaheswara Rao & Co**  
Chartered Accountants  
Firm Registration No.004453S

for and on behalf of the Board of Directors of  
**Sai Regency Power Corporation Private Limited**  
CIN: U40105TN2002PTC055046

(S Venugopal)  
Partner  
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**N.Ramakrishnan**  
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Director  
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**Asmita Bhatt**  
Company Secretary

## **Sai Regency Power Corporation Private Limited**

### **Notes to the financial statements**

#### **1. Company overview**

Sai Regency Power Corporation Private Limited (or “the Company”) is a company registered under the Companies Act, 1956 engaged in the business of generating and selling power to various customers. The company commenced its business operations with a gas based power plant of 58 MW capacities at Ramanathapuram, Tamilnadu.

#### **2. Significant accounting policies**

##### **2.1 Accounting convention**

The financial statements of Sai Regency Power Corporation Private Limited have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the basis of a going concern. 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.

##### **2.2 Use of estimates**

The preparation of the financial statements in conformity with IGAAP 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. Examples of such estimates include provision for doubtful debt, future obligation under employee retirement benefit plan, income taxes, useful life of fixed assets, etc. Any revision to accounting estimates is recognized prospectively in the current and future periods.

##### **2.3 Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The methods of determining the cost of various category of inventory are as follows:

Stores, Spares & Consumables : First-in- First-Out

##### **2.4 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.

##### **2.5 Revenue recognition**

Revenue from sale of energy is recognized on accrual basis in accordance with the provisions of relevant agreements.

Revenue from sale of scrap is accounted for as and when sold.

Interest is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the unconditional right to receive the income is established.

**Sai Regency Power Corporation Private Limited**  
**Notes to Financial Statements (continued)**  
**Significant accounting policies (continued)**

**2.6 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.

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 written down value 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 capitalisation / acquisition.

Machinery spares of the nature of capital spares are capitalized at the time of their purchase whether procured at the time of purchase or subsequently. Where such spares are replaced the carrying cost of the worn out spares are written off. The total cost of such capital spares is allocated on a systematic basis over a period not exceeding the useful life of the principal item.

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

**2.7 Capital work in progress**

Assets under installation or under construction as at the Balance Sheet date are shown as capital work in progress.

Capital work in progress is carried at cost, 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.

Claims for price variation/exchange variation in case of contracts are accounted for on acceptance.

**2.8 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 on other exchange differences are recognized as income or expense in the period in which they arise.

**2.9 Investments**

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

**2.10 Retirement benefits**

**Provident fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution scheme. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee salary. The contribution made by the Company is charged to the statement of Profit and Loss.

**Sai Regency Power Corporation Private Limited**  
**Notes to Financial Statements (continued)**  
**Significant accounting policies (continued)**

**Gratuity**

In accordance to the Payment of Gratuity Act, 1972, the Company provides for the gratuity, a defined benefit retirement plan (“the gratuity plan”) covering the eligible employees. The gratuity plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation or termination of the employment, of an amount based on the respective employee salary and the tenure of the employment with the Company.

Liabilities with regard to the gratuity plan are determined by independent actuary. The Company makes annual contribution to employees group gratuity scheme administered by trustees and managed by Life Insurance Corporation of India.

The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, “Employee Benefits”.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in full in the period in which they occur in the statement of Profit and Loss.

**2.11 Borrowing cost**

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 period/year in which they are incurred.

**2.12 Leases**

Lease that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

**2.13 Earnings per share**

Basic earnings per share are computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss after tax attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

**2.14 Taxes on income**

Income tax expense comprises current tax, deferred tax and Minimum alternative tax(MAT) credit.

*Current tax*

The current tax 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 recognised using the tax rates that have been enacted or substantially

enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed

depreciation or carry forward of loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

**Sai Regency Power Corporation Private Limited**  
**Notes to Financial Statements (continued)**  
**Significant accounting policies (continued)**

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 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.

*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.

**2.15 Impairment of assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement Profit and Loss. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**2.16 Provisions and contingencies**

**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.

**Onerous contract**

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.

**3 Share capital**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Authorized:</b>		
21,000,000 (31 Mar 2015: 21,000,000) equity shares of ₹10/- each	210,000,000	210,000,000
20,120,000 (31 Mar 2015: 20,120,000) preference shares of ₹10/- each	201,200,000	201,200,000
	<b>411,200,000</b>	<b>411,200,000</b>
<b>Issued, subscribed and paid up:</b>		
4,360,000 (31 Mar 2015: 4,360,000) Class A equity shares of ₹10/- each fully paid up	43,600,000	43,600,000
12,360,000 (31 Mar 2015: 12,360,000) Class B equity shares of ₹10/- each fully paid up	123,600,000	123,600,000
4,760,000 (31 Mar 2015: 4,760,000) 6.00% convertible preference shares of ₹10/- each fully paid up	47,600,000	47,600,000
<b>Total</b>	<b>214,800,000</b>	<b>214,800,000</b>

**Notes:**

- Class A equity shares are held by consumers and shall receive a restrictive dividend not more than 0.01% of the face value of shares.
- Class B equity shares are held by KSK Electricity Financing India Private Limited, the holding company and shall be entitled to all the profits of the company remaining after the payment of dividend to class A shareholders.
- 6% Convertible Preference shares are held by KSK Energy Ventures Limited, the step up holding company and are issued at a premium of ₹40/- each
- During the year, the Company has not issued/bought back any shares.

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

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Equity shares</b>		
<b>Class A Shares</b>		
Brakes India Private Limited		
No of shares held	750,000	750,000
% of shares held	17.20%	17.20%
Jagannath Textile Company Limited		
No of shares held	450,000	450,000
% of shares held	10.32%	10.32%
Chemplast Sanmar Limited		
No of shares held	750,000	750,000
% of shares held	17.20%	17.20%
Orchid Chemicals & Pharmaceuticals Limited		
No of shares held	450,000	450,000
% of shares held	10.32%	10.32%
Precot Meridian Limited		
No of shares held	300,000	225,000
% of shares held	6.88%	5.16%
Sundaram Clayton Limited		
No of shares held	375,000	375,000
% of shares held	8.60%	8.60%
MRF Limited		
No of shares held	375,000	375,000
% of shares held	8.60%	8.60%
The Lakshmi Mills Company Limited		
No of shares held	525,000	525,000
% of shares held	12.04%	12.04%
<b>Class B Shares</b>		
KSK Electricity Financing India Private Limited		
No of shares held	12,360,000	12,360,000
% of shares held	100%	100%
<b>6% Convertible preference shares</b>		
KSK Energy Ventures Limited		
No of shares held	4,760,000	4,760,000
% of shares held	100%	100%



**4 Reserves and surplus**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Securities premium</b>		
Opening balance	190,400,000	190,400,000
	<b>190,399,999</b>	<b>190,400,000</b>
<b>Surplus</b>		
Opening balance	2,562,907,344	2,353,304,079
Add: profit for the year	314,698,372	209,603,265
	<b>2,877,605,716</b>	<b>2,562,907,344</b>
<b>Total</b>	<b>3,068,005,715</b>	<b>2,753,307,344</b>

**5 Borrowings**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Long-term borrowings</b>		
<b>Secured</b>		
Term loans		
Rupee loans from banks(refer note a)	2,405,065,162	2,757,565,162
<b>Total</b>	<b>2,405,065,162</b>	<b>2,757,565,162</b>
<b>Short-term borrowings</b>		
<b>Secured</b>		
Loans repayable on demand		
From banks (refer note b)	225,743,291	188,926,205
<b>Unsecured</b>		
Loans against deposit	-	50,000,000
Other loans	31,506,035	-
<b>Total</b>	<b>257,249,326</b>	<b>238,926,205</b>
<b>Total</b>	<b>2,662,314,488</b>	<b>2,996,491,367</b>

**Note:**

a. Security : First charge pari passu by way of mortgage on all company's immovable properties and hypothecation of movable properties. Pledge of certain equity shares of the company held by KSK Electricity Financing India Private Limited, the holding company.

The long term rupee loans are repayable in quarterly installments with the last installment of loans are payable by 30 June 2024. These loans carry a weighted average interest rate of 12.33% p.a.

b. Security : First pari passu charge on the entire current assets of the company including receivables, stores and spares and other current assets

**6 Other long term liabilities**

	As at 31 Mar 2016	As at 31 Mar 2015
Security deposit from customers	18,146,429	18,333,512
<b>Total</b>	<b>18,146,429</b>	<b>18,333,512</b>

**7 Provisions**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Long-term provisions</b>		
For employee benefits <sup>1</sup>	3,149,279	1,596,486
	<b>3,149,279</b>	<b>1,596,486</b>
<b>Short-term provisions</b>		
For taxation(net of advance tax) <sup>2</sup>	58,041,014	45,573,969
	<b>58,041,014</b>	<b>45,573,969</b>
<b>Total</b>	<b>61,190,293</b>	<b>47,170,455</b>

1 The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

**Reconciliation statement showing Gratuity expenses and liability position:**

Particulars	As at	
	31 Mar 2016	31 Mar 2015
<b>Benefit obligation at the beginning of the year</b>	2,705,993	2,522,129
Service cost	599,475	676,533
Interest cost	237,281	189,826
Benefit Paid	-	(705,377)
Actuarial (gain) / loss	1,300,641	22,882
<b>Benefit obligation at the end of the year</b>	<b>4,843,390</b>	<b>2,705,993</b>
<b>Change in the fair value of assets</b>		
<b>Fair value of plan assets at the beginning of the year</b>	1,109,508	856,205
Expected return on plan assets	100,070	83,918
Contributions	460,139	857,809
Benefit Paid	-	(705,377)
Actuarial Gain/(Loss) on obligation	24,394	16,953
<b>Fair value of plan assets at the end of the year</b>	<b>1,694,111</b>	<b>1,109,508</b>
<b>Amount recognized in the Balance sheet</b>		
Present value of defined benefit obligations	4,843,390	2,705,993
Fair value of plan assets	1,694,111	1,109,508
Amounts in the balance sheet	(3,149,279)	(1,596,485)
<b>Net liability</b>	<b>(3,149,279)</b>	<b>(1,596,485)</b>
<b>Expense recognised in the profit and loss account</b>		
Current service cost	599,475	676,533
Interest on defined benefit obligation	237,281	189,826
Expected return on plan assets	(100,070)	(83,918)
Net actuarial loss recognized in the year	1,276,247	5,929
<b>Amount included in "personnel expense"</b>	<b>2,012,933</b>	<b>788,370</b>
<b>Movements in liability</b>		
Opening Net Liability	1,596,485	1,665,924
Expenses as above	2,012,933	788,370
Contribution paid	(460,139)	(857,809)
<b>Closing Net Liability</b>	<b>3,149,279</b>	<b>1,596,485</b>
<b>Asset information</b>		
<b>Category of Assets</b>		
Insurer managed funds	100%	100%

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	551,471	-	(2,087,058)	(36,850)	68,124
On benefit obligation	749,170	22,882	(38,559)	(307,235)	(854,613)
On plan assets	(24,394)	(16,953)	4,902	-	(9,068)

**Summary of actuarial assumptions:**

Discount rate: The discount rate of 7.80%(31 March 2015: 8.75% ) 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 of 8.35% (31 March 2015: 9 % ) 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%. (31 March 2015: 10%)The estimates of future salary increases considered, takes into account the inflation, seniority, promotion and other relevant factors.

<sup>2</sup>The Company's income from sale of electrical energy is exempt from tax under section 80-IA of the Income Tax Act, 1961. Provision for current tax for the year represents tax payable on account of MAT under section 115JB of the Income Tax Act, 1961 on the book profit.

**8 Trade payables**

	As at 31 Mar 2016	As at 31 Mar 2015
Dues to other than micro and small enterprises	178,285,579	148,809,995
<b>Total</b>	<b>178,285,579</b>	<b>148,809,995</b>

The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Disclosures relating to amounts unpaid at the year end together with interest payable, if any, as required under the said Act are not ascertainable.

**9 Other current liabilities**

	As at 31 Mar 2016	As at 31 Mar 2015
Current maturities of long-term debt	440,625,000	440,625,000
Interest accrued and due on borrowings	29,492,446	35,140,373
Security deposit from customers	6,500,000	11,918,880
Creditors for capital goods, including retention money	275,924	194,834
Salaries and bonus payable	5,221,548	1,383,183
Statutory liabilities	121,410,112	121,467,832
Other liabilities	105,407,272	105,407,259
<b>Total</b>	<b>708,932,302</b>	<b>716,137,361</b>

**11 Investments**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Non Current investments</b>		
<b>Trade investment</b>		
<b>Investment in equity instruments *</b>		
<i>(Unquoted, fully paidup)</i>		
209,600,000 (31 Mar 2015: 209,600,000) equity shares of ₹10/- each in KSK Mahanadi Power Company Limited	2,096,000,000	2,096,000,000
<b>Investment in preference instruments</b>		
<i>(Unquoted, fully paidup)</i>		
82,930,000 (31 Mar 2015: 82,930,000) 15% redeemable cumulative preference shares of ₹10/- each in Sai Wardha Power Limited	829,300,000	829,300,000
<b>Investment in debentures</b>		
<i>(Unquoted, fully paidup)</i>		
24,320,000 (31 Mar 2015:24,320,000) 0% optionally convertible debentures of ₹10/- each in JR Power Gen Private Limited	243,200,000	243,200,000
15,670,000 (31 Mar 2015:15,670,000) 0% optionally convertible debentures of ₹10/- each in KSK Upper Subansiri Hydro Energy Limited	156,700,000	156,700,000
37,421,000 (31 Mar 2015:37,421,000) 0% optionally convertible debentures of ₹10/- each in Kameng Dam Hydro Power Limited	374,210,000	374,210,000
	<b>3,699,410,000</b>	<b>3,699,410,000</b>
<b>Current investments</b>		
<b>Other Investment</b>		
<b>Investment in mutual fund</b>		
<i>(quoted, fully paid up)</i>		
Nil units (31 Mar 2015:41,723.33) of Tata money market fund direct plan - daily dividend (₹1001.5187 pu)	-	41,786,698
	-	<b>41,786,698</b>
<b>Total</b>	<b>3,699,410,000</b>	<b>3,741,196,698</b>
Aggregate market value of quoted investments	-	41,786,698
Aggregate amount of unquoted investments	3,699,410,000	3,699,410,000

**12 Loans and advances**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Long-term loans and advances</b>		
<i>Unsecured, considered good</i>		
Capital advances	550,013	-
Prepaid	180,099	-
	<b>730,122</b>	<b>-</b>
<b>Short-term loans and advances</b>		
<i>Unsecured, considered good</i>		
Security deposits	5,819,372	3,086,002
Advance for expenses / to suppliers	3,953,579	1,842,190
Prepaid expenses	1,210,798	1,901,335
Loans and advances to related parties	1,024,402,481	878,926,481
Other advances	341,698	2,790,623
Advance tax and TDS receivable (net of provision for tax)	425,460	425,460
	<b>1,036,153,387</b>	<b>888,972,091</b>
<b>Total</b>	<b>1,036,883,509</b>	<b>888,972,091</b>

**13 Other assets**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Other non-current assets</b>		
<i>Unsecured, considered good</i>		
MAT credit entitlement	527,024,527	457,686,841
Balance with banks		
Deposits with bank held as margin money or security against guarantees or borrowings	-	-
Interest accrued on deposits	-	-
Unamortised portion of ancillary cost of arranging the borrowings	11,820,838	13,495,289
	<b>538,845,365</b>	<b>471,182,130</b>
<b>Other current assets</b>		
<i>Unsecured, considered good</i>		
Interest accrued on deposits	94,888,361	10,783,283
Unamortised portion of ancillary cost of arranging the borrowings	1,669,871	1,669,872
Unbilled revenue	23,092,722	27,300,035
	<b>119,650,954</b>	<b>39,753,190</b>
<b>Total</b>	<b>658,496,319</b>	<b>510,935,320</b>

**14 Inventories**

	As at 31 Mar 2016	As at 31 Mar 2015
<i>(at lower of cost or net realisable value)</i>		
Stores and spares	157,887,647	145,244,735
<b>Total</b>	<b>157,887,647</b>	<b>145,244,735</b>

**15 Trade receivables**

	As at 31 Mar 2016	As at 31 Mar 2015
<i>Secured, considered good</i>		
Debts outstanding for a period exceeding six months	46,216,301	71,063,134
Other debts	22,103,371	2,559,708
<i>Unsecured, considered good</i>		
Debts outstanding for a period exceeding six months	110,832,519	250,818,000
Other debts	278,484,156	252,568,548
<b>Total</b>	<b>457,636,347</b>	<b>577,009,390</b>

**16 Cash and bank balances**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>Cash and cash equivalents</b>		
Cash on hand;	152,408	137,465
Balances with banks;		
On current account	38,268,890	41,104,540
	<b>38,421,298</b>	<b>41,242,005</b>
<b>Other bank balances</b>		
Deposits with Bank held as margin money or security against guarantees or borrowings	140,936,636	234,184,672
	<b>140,936,636</b>	<b>234,184,672</b>
<b>Total</b>	<b>179,357,934</b>	<b>275,426,677</b>

**Sai Regency Power Corporation Private Limited**

Notes to financial statements (continued)

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

**10 Fixed Assets**

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01 Apr 2015	Additions	Deletions	As at 31 Mar 2016	As at 01 Apr 2015	For the year	Disposals/ Adjustment	As at 31 Mar 2016	As at 31 Mar 2016	As at 31 Mar 2015
<b>Tangible assets</b>										
Land and site development	14,787,925	-	-	14,787,925	-	-	-	-	14,787,925	14,787,925
Buildings	162,688,642	-	-	162,688,642	90,244,398	6,660,170	-	96,904,568	65,784,074	73,223,298
Roads	19,994,556	-	-	19,994,556	14,124,576	3,373,072	-	17,497,648	2,496,908	5,090,937
Plant and equipment	2,144,811,109	888,520	1,575,000	2,144,124,629	1,484,698,020	67,160,495	949,375	1,550,909,140	593,215,489	660,113,083
Furniture and fixtures	1,237,092	45,548	50,229	1,232,411	1,122,200	52,183	50,229	1,124,154	108,257	114,888
Vehicles	2,896,723	886,590	826,094	2,957,219	2,282,160	244,542	826,094	1,700,608	1,256,611	614,561
Office equipment	3,216,999	29,859	129,957	3,116,901	2,095,872	561,104	127,256	2,529,720	587,181	1,036,112
Computer	4,322,381	57,500	88,400	4,291,481	3,967,004	184,442	88,400	4,063,046	228,435	440,393
<b>Total Tangible assets</b>	<b>2,353,955,427</b>	<b>1,908,017</b>	<b>2,669,680</b>	<b>2,353,193,764</b>	<b>1,598,534,230</b>	<b>78,236,008</b>	<b>2,041,354</b>	<b>1,674,728,884</b>	<b>678,464,880</b>	<b>755,421,197</b>
<b>Intangible assets</b>										
Computer software	678,962	-	-	678,962	391,117	287,845	-	678,962	-	287,845
<b>Total Intangible assets</b>	<b>678,962</b>	<b>-</b>	<b>-</b>	<b>678,962</b>	<b>391,117</b>	<b>287,845</b>	<b>-</b>	<b>678,962</b>	<b>-</b>	<b>287,845</b>
<b>Total Assets</b>	<b>2,354,634,389</b>	<b>1,908,017</b>	<b>2,669,680</b>	<b>2,353,872,726</b>	<b>1,598,925,347</b>	<b>78,523,853</b>	<b>-</b>	<b>1,675,407,846</b>	<b>678,464,880</b>	<b>755,709,042</b>
Intangible assets under development									546,651	546,651
Capital Work in Progress									42,991,519	9,430
<b>Grand Total</b>	<b>2,354,634,389</b>	<b>1,908,017</b>	<b>2,669,680</b>	<b>2,353,872,726</b>	<b>1,598,925,347</b>	<b>78,523,853</b>	<b>2,041,354</b>	<b>-</b>	<b>722,003,050</b>	<b>756,265,123</b>

<b>As at 31 Mar 2015</b>										
Tangible assets	3,453,666,463	827,391	1,100,538,427	2,353,955,427	2,026,097,861	95,579,749	523,143,380	1,598,534,230	755,421,197	
Intangible assets	87,270	591,692	-	678,962	60,039	331,078	-	391,117	287,845	
Intangible assets under development									546,651	
Capital Work in Progress									9,430	
<b>Grand Total</b>	<b>3,453,753,733</b>	<b>1,419,083</b>	<b>1,100,538,427</b>	<b>2,354,634,389</b>	<b>2,026,157,900</b>	<b>95,910,827</b>	<b>523,143,380</b>	<b>1,598,925,347</b>	<b>756,265,123</b>	

**Sai Regency Power Corporation Private Limited**  
**Notes to financial statements (continued)**

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

**17 Other income**

	Year ended 31 Mar 2016	Year ended 31 Mar 2015
Interest income	113,091,380	34,911,145
Dividend income	314,017	1,820,186
Sale of Renewable Energy Certificate	9,564,629	3,824,416
Profit on sale of fixed assets	132,704	760,232
Miscellaneous income	35,931	186,610
<b>Total</b>	<b>123,138,661</b>	<b>41,502,589</b>

**18 Cost of fuel consumed**

	Year ended 31 Mar 2016	Year ended 31 Mar 2015
Natural gas (all indiginous)	1,193,747,433	1,075,217,865
<b>Total</b>	<b>1,193,747,433</b>	<b>1,075,217,865</b>

**19 Manufacturing expenses**

	Year ended 31 Mar 2016	Year ended 31 Mar 2015
Consumption of stores and spare parts (all indiginous)	2,311,060	11,940,495
Operation and maintenance expenses	39,869,786	37,989,088
Cost of import power	7,615,746	3,915,274
Raw water charges	19,536,276	15,663,193
Repairs and maintenance to plant & equipment	9,816,688	5,616,229
<b>Total</b>	<b>79,149,556</b>	<b>75,124,279</b>

**20 Employee benefit expenses**

	Year ended 31 Mar 2016	Year ended 31 Mar 2015
Salaries, wages and bonus	25,780,056	19,874,570
Contribution to provident and other funds	2,747,155	1,336,356
Staff welfare expenses	3,081,623	1,545,960
<b>Total</b>	<b>31,608,834</b>	<b>22,756,886</b>

**Sai Regency Power Corporation Private Limited**  
**Notes to financial statements (continued)**

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

**21 Other expenses**

	<b>Year ended 31 Mar 2016</b>	<b>Year ended 31 Mar 2015</b>
Rent	2,605,785	743,004
Rates and taxes	1,498,071	953,775
Printing and stationery	160,627	146,617
Communication expenses	469,767	470,775
Insurance charges	3,444,030	3,726,303
Legal and professional charges	1,694,735	11,938,380
Transmission and selling charges	13,326,196	75,982,898
Repairs and maintenance		
- building	2,960	156,596
- others	1,790,301	714,786
Remuneration to auditors		
- for Audit	580,075	561,800
- for taxation	35,170	84,270
- other services	93,260	117,124
Travel and conveyance	2,260,731	1,725,063
Corporate support service charges	19,879,500	19,550,640
Donation and gifts	265,867	9,218,700
Bad debts / advances written off	212,626,489	15,242,707
Corporate social responsibility (refer note 27)	20,528,560	10,111,444
Miscellaneous expenses	2,066,590	6,616,289
<b>Total</b>	<b>283,328,714</b>	<b>158,061,171</b>

**22 Finance costs**

	<b>Year ended 31 Mar 2016</b>	<b>Year ended 31 Mar 2015</b>
Interest expense	405,300,242	446,659,382
Other borrowing cost	4,898,004	37,499,775
<b>Total</b>	<b>410,198,246</b>	<b>484,159,157</b>

**Sai Regency Power Corporation Private Limited**

**Notes to financial statements (continued)**

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

**23 a.Capital commitments and contingent liabilities**

	As at 31 Mar 2016	As at 31 Mar 2015
<b>1. Contingent liabilities</b>		
Claims against the company not acknowledged as debts	1,297,930	1,297,930
Corporate guarantee given	1,374,292,221	1,906,855,496
<b>2. Capital commitments</b>		
Estimated value of contracts remaining to be executed on capital account not provided for	5,021,170	4,959,968
<b>b. Preference dividend and tax thereon</b>		
Arrears of dividend on cumulative preference shares not provided for	14,280,000	11,424,000
Tax on preference dividend	2,907,072	2,325,658

c. The company has received claims for ₹6,569,152/- (31 Mar 2015: ₹6,569,152/-) from Joint Director General of Foreign Trade (DGFT) towards the recovery of the duty drawbacks, earlier refunded. The company had earlier made claims for the refund of the duties paid on the machinery and other items purchased for the construction of the power projects under the scheme of deemed export benefit, which were accepted and refunds were granted. The communication from the DGFT regarding the recovery of the duties paid are based on the interpretations by the Policy Interpretation Committee held on 15 March 2011. The company contends that the above change in interpretation requires an amendment to the foreign trade policy to be legally enforceable in law. Since, no such amendment has been done yet, the company believes that outcome of the above dispute should be in favour of the company and there should be no material impact on the financial statements.

**24 Earning per share**

	Year ended 31 Mar 2016	Year ended 31 Mar 2015
Net profit attributable to equity shareholders-Basic	311,256,598	206,161,491
Net profit attributable to equity shareholders-Diluted	314,698,372	209,603,265
Weighted average number of Shares for Basic EPS (Nos)		
Class A	4,360,000	4,360,000
Class B	12,360,000	12,360,000
Weighted average number of Shares for Diluted EPS (Nos)		
Class A	4,360,000	4,360,000
Class B	17,120,000	17,120,000
Basic Earnings per share (₹)		
Class A	0.001	0.001
Class B	25.18	16.68
Diluted Earnings per share (₹)		
Class A	0.001	0.001
Class B	18.38	12.24
Face value of shares	10/-	10/-

**25 Related parties**

<b>a.Parties where control exists</b>	<b>Relationship</b>
KSK Electricity Financing India Private Limited	Holding Company
KSK Energy Ventures Limited	Step - up holding Company

<b>b.Parties where significant influence exists</b>	<b>Relationship</b>
KSK Mahanadi Power Company Limited	Fellow Subsidiary
Sai Lilagar Power Limited	Fellow Subsidiary
VS Lignite Power Private Limited	Fellow Subsidiary
JR Power Gen Private Limited	Fellow Subsidiary
KSK Upper Subansiri Hydro Energy Limited	Fellow Subsidiary
Kameng Dam Hydro Power Limited	Fellow Subsidiary
KSK Energy Resource Private Limited	Fellow Subsidiary
KSK Mineral Resource Private Limited	Fellow Subsidiary
Sai Wardha Power Limited	Fellow Subsidiary

**c.Key Management Personnel**

<b>Name of the related party</b>	
N Ramakrishnan	Managing Director & CFO
S Kishore	Director
K A Sastry	Director



**Sai Regency Power Corporation Private Limited**

**Notes to financial statements (continued)**

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

**26 Segment information**

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

**27 Expenditure incurred on Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013 the Company is required to spend a minimum amount of Rs.8,086,254 towards CSR activities for the year ended 31-03-2016 and an amount of Rs.20,528,560 was spent during the year.

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

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

As per our special purpose audit report of even date attached

*for* **Umamaheswara Rao & Co**

*Chartered Accountants*

Firm Registration No.004453S

*for* and on behalf of the Board of Directors of

**Sai Regency Power Corporation Private Limited**

CIN: U40105TN2002PTC055046

**(S Venugopal)**

Partner

Membership No.205565

Place: Hyderabad

Date: 28-05-2016

**N.Ramakrishnan**

Managing Director & CFO

DIN - 835893

**S Kishore**

Director

DIN - 00006627

**Asmita Bhatt**

Company Secretary

**Sai Regency Power Corporation Private Limited**

25 (d). Particulars of related party transactions

S.No.	Particulars	31-Mar-16		31-Mar-15	
		Holding / Step up holding	Fellow subsidiaries	Holding / Step up holding	Fellow subsidiaries
	<b>Transactions for the year</b>				
1	Interest expense	-	-	2,712,549	-
2	Interest income	2,796,170	96,719,546	-	15,549,454
3	Corporate support services fee	19,879,500	-	19,550,640	-
4	Loan taken	31,506,035	-	45,500,000	-
5	Repayment of loan	-	-	45,500,000	-
6	Loan and advances given	21,500,000	123,976,000	-	1,785,801,481
7	Refund of loans and advances	-	-	-	1,078,875,000
8	Advance for investments	-	-	-	219,682,000
9	Refund of advance for investments	-	-	-	2,338,682,000
10	Acquisition of Investment	-	-	-	360,000,000
11	Investment made	-	-	-	3,096,210,000
12	Assets acquired	-	-	-	1,195,893
13	Sale of asset	-	-	-	628,560
14	Managerial remuneration	2,989,236	-	16,607	-
	<b>Balances at the year end</b>				
1	Amount receivable	24,016,553	1,092,262,636	-	882,809,245
2	Amount payable	40,597,535	-	4,452,660	-
3	Managerial remuneration payable	259,198	-	16,607	-

Corporate guarantee of ₹194 crores (31 Mar 2015: ₹294 crores) have been given on behalf of fellow subsidiary company