

Sai Wardha Power Limited

Balance Sheet as at 31 March 2016

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

	Note	31 Mar 2016	31 Mar 2015
I EQUITY AND LIABILITIES			
I Shareholder's funds			
a) Share capital	3	8,388,824,380	8,293,300,000
b) Reserves and surplus	4	(6,435,391,129)	(4,415,257,065)
		<u>1,953,433,251</u>	<u>3,878,042,935</u>
2 Non-current liabilities			
a) Long-term borrowings	5	20,620,946,868	20,380,272,869
b) Long-term provisions	6	423,606,115	8,790,286
		<u>21,044,552,983</u>	<u>20,389,063,155</u>
3 Current liabilities			
a) Short-term borrowings	5	7,100,185,767	6,614,770,489
b) Trade payables	7	1,970,932,294	1,839,545,789
c) Other current liabilities	8	4,407,474,459	3,173,741,264
d) Short-term provisions	6	-	298,589,005
		<u>13,478,592,520</u>	<u>11,926,646,547</u>
TOTAL		<u><u>36,476,578,754</u></u>	<u><u>36,193,752,637</u></u>
II ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible assets	9	23,321,399,902	23,485,892,118
ii) Intangible assets	9	155,459	831,907
iii) Capital work in progress	9	400,873,122	147,239,967
iv) Intangible assets under development	9	12,189,121	12,189,121
b) Non-current investments	10	420,000,010	420,000,010
c) Deferred tax assets (net)	11	3,472,118,029	2,421,539,395
d) Long-term loans and advances	12	101,497,579	102,767,717
e) Other non current assets	16	3,074,667,899	3,228,876,849
		<u>30,802,901,121</u>	<u>29,819,337,084</u>
2 Current assets			
a) Inventories	13	778,392,194	890,054,764
b) Trade receivables	14	3,042,717,910	3,026,777,148
c) Cash and bank balances	15	580,438,800	688,122,218
d) Short-term loans and advances	12	1,035,443,040	1,527,259,041
e) Other current assets	16	236,685,689	242,202,382
		<u>5,673,677,633</u>	<u>6,374,415,553</u>
TOTAL		<u><u>36,476,578,754</u></u>	<u><u>36,193,752,637</u></u>

See accompanying notes to the financial statements

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

for and on behalf of the Board

S.Venugopal
Partner
Membership No. 205565

K A Sastry
Whole-time Director
DIN - 00006566

S Kishore
Director
DIN - 00006627

Place: Hyderabad
Date: 30 May 2016

C Srinivas
Chief Financial Officer

G Kranthi Kiran
Company Secretary

Sai Wardha Power Limited
Statement of Profit and Loss for the year ended 31 March 2016
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Note	31 Mar 2016	31 Mar 2015
Revenue			
I	17	7,938,728,552	5,570,441,327
II	18	53,476,247	88,466,037
III		<u>7,992,204,799</u>	<u>5,658,907,364</u>
IV Expenses			
	19	4,614,499,390	3,236,121,613
	20	608,518,024	460,282,352
	21	217,814,939	190,054,276
	22	1,085,821,241	2,927,025,648
	23	3,481,930,713	3,362,135,021
	9	1,054,333,190	1,029,475,250
		<u>11,062,917,497</u>	<u>11,205,094,160</u>
V		(3,070,712,698)	(5,546,186,796)
VI		-	6,764,327,877
VII		(3,070,712,698)	1,218,141,081
VIII Tax expense / (income)			
a)		(1,050,578,634)	434,790,275
		<u>(1,050,578,634)</u>	<u>434,790,275</u>
IX		<u>(2,020,134,064)</u>	<u>783,350,806</u>
Earnings / (loss) per share:			
		(0.001)	0.001
		(8.227)	2.872

See accompanying notes to the financial statements

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

for and on behalf of the Board

S.Venugopal
Partner
Membership No. 205565

K A Sastry
Whole-time Director
DIN - 00006566

S Kishore
Director
DIN - 00006627

Place: Hyderabad
Date: 30 May 2016

C Srinivas
Chief Financial Officer

G Kranthi Kiran
Company Secretary

Sai Wardha Power 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		
Profit / (loss) before tax	(3,070,712,698)	1,218,141,081
Adjustments for		
Depreciation and amortisation expense	1,054,333,190	1,029,475,250
Finance cost	3,481,930,713	3,362,135,021
Interest income	(51,564,349)	(60,376,401)
Dividend income	(100,232)	-
Profit / loss on sale of fixed assets	(12,800)	15,571,851
Exceptional items	-	(6,764,327,877)
Unrealised foreign exchange differences	1,115,559	(7,771,291)
Liability no longer required written back	-	220,000
Baddebt written off / Provision for doubtful debts / Others	145,863,650	1,697,225,273
Others, net	325,127	-
Operating profit / (loss) before working capital changes	1,561,178,160	490,292,907
Adjustments for working capital		
Inventories	111,662,571	(279,309,028)
Trade receivables	(186,170,902)	701,464,645
Loan and advances	620,465,654	(819,515,440)
Other assets	186,361,716	(140,998,249)
Trade payables	121,171,987	71,509,758
Other liabilities and provisions	209,976,992	48,001,673
Cash generated from / (used in) operations	2,624,646,178	71,446,266
Direct taxes (paid) / refund	2,580,675	(4,980,059)
Net cash from / (used in) operating activities	2,627,226,853	66,466,207
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets including capital work-in-progress and capital advances	(286,028,418)	(144,222,577)
Sale of fixed assets	12,800	19,198,926
Sale of non current investments	-	360,000,000
(Investment)/redemption of bank deposit (having original maturity more than 3 months)	-	6,507,124
(Investment)/redemption of bank deposit (held as margin money or security against guarantees or borrowings)	18,303,281	107,974,536
Advance for investment - refund	-	930,000,000
Inter corporate deposit - given/repaid, net	(129,568,294)	-
Interest income	58,020,920	102,322,330
Dividend income	100,232	-
Net cash from / (used in) investing activity	(339,159,479)	1,381,780,339
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital and application money, net of share issue expenses	95,524,380	1,337,200,656
Repayment of Share application money	-	(92,810,560)
Proceeds from long term borrowings	1,094,000,000	696,000,000
Repayment of long term borrowings	(855,894,000)	(744,815,000)
Proceeds from / (repayment of) short term borrowings, net	547,077,827	306,447,449
Payment of finance costs	(3,256,631,172)	(3,080,358,128)
Net cash from / (used in) financing activities	(2,375,922,965)	(1,578,335,583)
Net increase / decrease in cash and cash equivalents	(87,855,591)	(130,089,037)
Cash and cash equivalents at the beginning of the year	110,337,026	240,426,063
Cash and cash equivalents at the end of the year	22,481,435	110,337,026
Cash flow continued..		

Sai Wardha Power Limited

Cash Flow Statement for the year ended 31 March 2016

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

	<u>31 Mar 2016</u>	<u>31 Mar 2015</u>
Notes:		
1 Cash and cash equivalents includes:		
Cash in hand	77,445	189,646
Balances with banks; On current account	22,403,990	110,147,380
	<u>22,481,435</u>	<u>110,337,026</u>

2 Previous year figures have been regrouped / reclassified to conform to the classification of the current year.

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

for and on behalf of the Board

S.Venugopal
Partner
Membership No. 205565

K A Sastry
Whole-time Director
DIN - 00006566

S Kishore
Director
DIN - 00006627

Place : Hyderabad
Date : 30 May 2016

C Srinivas
Chief Financial Officer

G Kranthi Kiran
Company Secretary

Sai Wardha Power Limited
Notes to financial statements

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

1 Company overview

Sai Wardha Power Limited ("the Company") was incorporated on 28 Oct 2005 and is engaged in the business of generation of electricity. The Company was set up to build and operate 540 MW (135MW x 4) power plant in Chandrapur district, Maharashtra, to cater to the power requirements of various captive consumers and state utilities.

2 Significant accounting policies

2.1 Accounting Convention

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP 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.

2.2 Use of estimates

The preparation of financial statements in conformity with IGAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent assets and contingent liabilities as on the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those 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 recognised prospectively in 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 method of determining the costs of various categories of inventories are as follows:

Coal : Weighted average
Stores, spares and 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 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

Sale of energy is recognised on accrual basis in accordance with relevant agreements.

Interest is recognised using the time proportionate method, based on the underlying interest rates.

Dividend income is recognised when the unconditional right to receive the dividend is established.

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

Warranty claims / liquidated damages are not treated as accrued due to uncertainty of realisation / acceptance and are therefore accounted for on receipt / acceptances.

Insurance claims are accounted based on certainty of realisation.

2.6 Fixed Assets and depreciation

- i. Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, insurance, duties and levies and all incidentals attributable to bringing the assets to its working condition for their intended use. Cost of fixed assets includes cost of initial warranty / insurance spares purchased along with the capital asset, which are grouped as single item under respective assets.
- ii. Machinery spares of the nature of capital spares are capitalized at the time of their purchase whether procured at the time of purchase of the fixed asset concerned 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.
- iii 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.
- iv. 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 by internal technical assessment. 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 capitalisation / acquisition.

Sai Wardha Power Limited
Notes to financial statements

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

- v. Depreciation on initial / warranty spares are provided on the same rates applicable for that asset group, irrespective of its actual usage.
- vi. Leasehold land and improvements are amortized over the lease period.

2.7 Capital work in progress

- i. 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 "Assets under construction" to be allocated on major assets on commissioning of the project.
- ii. In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital work in progress.
- iii. The cost of fixed assets not ready for their intended use before such date is disclosed under capital work in progress.
- iv. Claims for price variation/exchange rate variation in case of contracts are connected for on acceptance.

2.8 Foreign exchange

- i. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
- ii. At the Balance Sheet date, foreign currency monetary items are reported using the closing / contracted rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- iii. Exchange differences arising on account long-term foreign currency monetary items related to the acquisition/construction of fixed assets are capitalised and depreciated over the remaining useful life of the asset.
- iv. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
- v. The premium or discount on forward exchange contract and currency option is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such forward contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain / loss arising on forward contracts which are long-term foreign currency monetary items is recognised in accordance with paragraph (iii) and (iv) above.
- vi. All other exchange differences are recognised as income or as expenses in the period in which they arise.

2.9 Derivative Contracts:

The Company enters into derivative contracts in the nature of foreign currency options, interest rate swaps and forward contracts with an intention to hedge its existing assets and liabilities. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions. All other derivative contracts are marked-to market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.10 Investments

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

2.11 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.

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 or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

Sai Wardha Power Limited

Notes to financial statements

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

2.12 Borrowing cost

Borrowing costs include interest on borrowings and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

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.

2.13 Leases

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

2.14 Earnings per share

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

2.15 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 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 recognized only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the account that is reasonably/virtually certain (as the case may be) to be realised.

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.

2.16 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 of 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.

2.17 Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of past obligation 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.

Sai Wardha Power Limited
Notes to financial statements

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

3 Share capital

	31 Mar 2016	31 Mar 2015
Authorized:		
2,250,000,000 (31 Mar 2015: 2,250,000,000) equity shares of Rs. 10/- each	22,500,000,000	22,500,000,000
750,000,000 (31 Mar 2015: 750,000,000) preference shares of Rs.10/- each	7,500,000,000	7,500,000,000
	<u>30,000,000,000</u>	<u>30,000,000,000</u>
Issued, subscribed and paid up:		
105,076,818 (31 Mar 2015: 95,524,380) Class A equity shares of Rs.10 each fully paid-up (Refer note I (a) and I (c))	1,050,768,180	955,243,800
299,063,328 (31 Mar 2015: 271,875,620) Class B equity shares of Rs.10 each fully paid-up (Refer note I (b))	2,990,633,280	2,718,756,200
36,740,287 (31 Mar 2015: 36,740,287) 0.01% Class A redeemable preference shares of Rs.10 each fully paid-up (Refer note I (d))	367,402,870	367,402,870
36,040,769 (31 Mar 2015: 36,040,769) 0.01% Class B cumulative redeemable preference shares of Rs.10 each fully paid-up (Refer note I (e))	360,407,690	360,407,690
150,031,236 (31 Mar 2015: 177,218,944) 0.01% cumulative redeemable preference shares of Rs.10 each fully paid-up (Refer note I (f))	1,500,312,360	1,772,189,440
211,930,000 (31 Mar 2015: 211,930,000) 15% cumulative redeemable preference shares of Rs.10 each fully paid-up (Refer note I(g))	2,119,300,000	2,119,300,000
	<u>8,388,824,380</u>	<u>8,293,300,000</u>

Notes:

- I**
- Out of the above 39,153,495 Class A equity shares (31 Mar 2015: 36,500,028) of Rs 10 each, fully paid up, are held by KSK Energy Ventures Limited, the step-up holding Company.
 - Out of the above 299,063,325 Class B equity shares (31 Mar 2015: 271,875,617) of Rs 10 each, fully paid up, 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.
 - Class A equity shareholders shall be entitled to receive a restrictive dividend of not more than 0.01% of the face value of the shares held.
 - Out of the above 19,633,064 (31 Mar 2015: 19,633,064) 0.01% Class - A redeemable preference shares are held by consumers and 17,107,223 (31 Mar 2015: 17,107,223) 0.01% Class - A redeemable preference shares are held by KSK Energy Ventures Limited, the step-up holding Company. These preference shares are redeemable at Re. 1/- at the end of tenure of the agreement.
 - Out of the above 21,190,000 (31 Mar 2015: 21,190,000) 0.01% Class B cumulative redeemable preference shares of Rs 10 each, fully paid up, are held by KSK Electricity Financing India Private Limited, the holding Company and 14,850,769 (31 Mar 2015: 14,850,769) 0.01% Class B cumulative redeemable preference shares of Rs 10 each, fully paid up, are held by KSK Energy Ventures Limited, the step-up holding Company.
 - Out of the above 150,031,236 (31 Mar 2015: 177,218,944) 0.01% cumulative redeemable preference shares of Rs.10 each, fully paid up are held by KSK Electricity Financing India Private Limited, the holding Company.
 - Out of the above 129,000,000 (31 Mar 2015: 129,000,000) 15% cumulative redeemable preference shares of Rs.10 each, fully paid up are held by KSK Energy Ventures Limited, the step-up holding Company and 82,930,000 (31 Mar 2015 : 82,930,000) 15% cumulative redeemable preference shares of Rs.10 each, fully paid up are held by Sai Regency Power Corporation Private Limited, the fellow subsidiary Company.

II Reconciliation of number of shares outstanding

Equity shares

Class A equity shares, fully paid up

Outstanding at the beginning of the year

95,524,380

95,524,380

Issued during the year

9,552,438

-

Outstanding at the end of the year

105,076,818

95,524,380

Class B equity shares

Outstanding at the beginning of the year

271,875,620

271,875,620

Issued during the year

27,187,708

-

Outstanding at the end of the year

299,063,328

271,875,620

Sai Wardha Power Limited
Notes to financial statements

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

0.01% Class A redeemable preference shares		
<i>Outstanding at the beginning of the year</i>	36,740,287	36,740,287
Issued during the year	-	-
<i>Outstanding at the end of the year</i>	<u>36,740,287</u>	<u>36,740,287</u>
0.01% Class B cumulative redeemable preference shares		
<i>Outstanding at the beginning of the year</i>	36,040,769	36,040,769
Issued during the year	-	-
<i>Outstanding at the end of the year</i>	<u>36,040,769</u>	<u>36,040,769</u>
0.01% cumulative redeemable preference shares		
<i>Outstanding at the beginning of the year</i>	177,218,944	177,218,944
Issued during the year	-	-
Redeemed during the year	27,187,708	-
<i>Outstanding at the end of the year</i>	<u>150,031,236</u>	<u>177,218,944</u>
15% cumulative redeemable preference shares		
<i>Outstanding at the beginning of the year</i>	211,930,000	-
Issued during the year	-	211,930,000
<i>Outstanding at the end of the year</i>	<u>211,930,000</u>	<u>211,930,000</u>

III Particulars of shareholders holding more than 5% of the shares

Name of the shareholder	31 Mar 2016	31 Mar 2015
a) Class A equity shares		
KSK Energy Ventures Limited		
No of shares held	39,153,495	36,500,028
% of shares held	37.26%	38.21%
Viraj Profiles Limited		
No of shares held	23,298,938	23,298,938
% of shares held	22.17%	24.39%
Mahindra Sanyo Special Steel Private Limited		
No of shares held	6,191,395	6,191,395
% of shares held	5.89%	6.48%
Mahalaxmi TMT Private Limited		
No of shares held	7,887,669	7,887,669
% of shares held	7.51%	8.26%
b) Class B equity shares		
KSK Electricity Financing India Private Limited		
No of shares held	299,063,325	271,875,617
% of shares held	100.00%	100.00%
c) 0.01% Class A redeemable preference shares		
Graphite India Limited		
No of shares held	3,123,442	3,123,442
% of shares held	8.50%	8.50%
KSK Energy Ventures Limited		
No of shares held	17,107,223	17,107,223
% of shares held	46.56%	46.56%
Mahindra Sanyo Special Steel Private Limited		
No of shares held	7,808,605	7,808,605
% of shares held	21.25%	21.25%

Sai Wardha Power Limited
Notes to financial statements

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

Mahindra Hinoday Industries Limited		
No of shares held	2,231,030	2,231,030
% of shares held	6.07%	6.07%
Mahindra & Mahindra Limited		
No of shares held	2,454,133	2,454,133
% of shares held	6.68%	6.68%
d) 0.01% Class B cumulative redeemable preference shares		
KSK Energy Ventures Limited		
No of shares held	14,850,769	14,850,769
% of shares held	41.21%	41.21%
KSK Electricity Financing India Private Limited		
No of shares held	21,190,000	21,190,000
% of shares held	58.79%	58.79%
e) 0.01% cumulative redeemable preference shares		
KSK Electricity Financing India Private Limited		
No of shares held	150,031,236	177,218,944
% of shares held	100.00%	100.00%
f) 15% cumulative redeemable preference shares		
KSK Energy Ventures Limited		
No of shares held	129,000,000	129,000,000
% of shares held	60.87%	60.87%
Sai Regency Power Corporation Private Limited		
No of shares held	82,930,000	82,930,000
% of shares held	39.13%	39.13%

4 Reserves and surplus

	31 Mar 2016	31 Mar 2015
Securities premium		
<i>Balance</i>	388,189,440	388,189,440
Total (A)	388,189,440	388,189,440
Surplus / (Deficit)		
<i>Opening balance</i>	(4,803,446,505)	(5,586,797,311)
Add: Profit / (Loss) for the year	(2,020,134,064)	783,350,806
Total (B)	(6,823,580,569)	(4,803,446,505)
Total (A+B)	(6,435,391,129)	(4,415,257,065)

Sai Wardha Power Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

5 Borrowings	31 Mar 2016	31 Mar 2015
Long-term borrowings		
<i>Secured</i>		
Term loans (refer note 1 (a) and 2 (a))		
Rupee loans from banks	4,056,996,866	2,195,996,866
Rupee loans from others	-	1,261,000,000
Foreign currency loans - External commercial borrowings from banks (refer note 1 (a) and 2 (b))	16,563,950,002	15,669,700,002
<i>Unsecured</i>		
Foreign currency loans - External commercial borrowings from banks (refer note 2 (c))	-	1,253,576,001
Total (A)	20,620,946,868	20,380,272,869
Short-term borrowings		
<i>Secured</i>		
Loan repayable on demand (refer note 1 (a))		
- from banks	3,213,801,407	2,549,960,209
Loan against letter of credit (refer note 1 (a))	2,117,023,953	1,622,046,073
Foreign currency loans from banks (refer note 1 (a))	-	105,764,207
<i>Unsecured</i>		
Loan against deposits from banks	742,000,000	1,228,000,000
Loan against letter of credit (refer note 1 (b))	-	490,000,000
Loans from related parties	1,027,360,407	169,000,000
Loan from others	-	450,000,000
Total (B)	7,100,185,767	6,614,770,489
Total (A+B)	27,721,132,635	26,995,043,358

Note : Details of securities and repayment terms:

1) Security details

a) *Security* : First charge pari-passu by way of mortgage on the Company's immovable properties and hypothecation of whole of the movable properties, both present and future. Pledge of certain equity shares of the Company held by KSK Electricity Financing India Private Limited, the holding company and corporate guarantee given by KSK Energy Ventures Limited, the step-up holding Company.

b) *Security* : Secured by letter of credit facility sanctioned to KSK Energy Ventures Limited, the step-up holding Company.

2) Repayment details

a) The long term rupee loans are repayable in quarterly instalments with the last instalment of respective loans are payable from June 2020 to September 2022. These loans carry a weighted average interest rate of 15.59% p.a.

b) Foreign currency loans are repayable half yearly instalments with the last instalment payable by August 2021. The long term foreign currency loans carry a weighted average interest rate of 6.36% p.a.

c) Foreign currency loan is repayable from June 2014 to January 2017. The long term foreign currency loans carry a weighted average interest rate of 4.42% p.a.

6 Provisions	31 Mar 2016	31 Mar 2015
Long-term provisions		
For employee benefits	14,547,624	8,790,286
Provision for mark to market loss on derivative instruments	409,058,491	-
Total (A)	423,606,115	8,790,286
Short-term provisions		
For taxation (net of advance tax)	-	19,875
Provision for mark to market loss on derivative instruments	-	298,569,130
Total (B)	-	298,589,005
Total (A+B)	423,606,115	307,379,291

Note:

a) 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.

Sai Wardha Power Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet for gratuity.

	31 Mar 2016	31 Mar 2015
Present value of obligation at the beginning of the year	17,612,169	12,059,841
Interest cost	1,371,382	1,005,775
Current service cost	4,142,264	5,528,991
Benefits paid	(1,872,119)	(1,130,528)
Actuarial loss/(gain) on obligation	2,086,482	148,090
Present value of obligation at the end of the year	23,340,178	17,612,169

	31 Mar 2016	31 Mar 2015
Fair value of plan assets at the beginning of the year	8,821,883	7,169,456
Expected return on plan assets	795,671	689,040
Contributions	1,099,580	2,103,617
Benefits paid	(1,872,119)	(1,130,528)
Actuarial gain/(loss) on plan assets	(52,461)	(9,702)
Fair value of plan assets at the end of the year	8,792,554	8,821,883

Experience history	31-Mar-16	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Actuarial (gain) / losses	2,138,943	157,792	10,983,298	4,077,549	5,575,815
Experience adjustment					
On account of change in assumption	(117,554)	(2,538,082)	(8,945,800)	(195,194)	(438,757)
On account of change in experience	2,204,036	2,389,992	(2,045,415)	(3,840,747)	6,014,572
On plan assets	52,461	(9,702)	7,917	(41,608)	-

	31 Mar 2016	31 Mar 2015
Amounts recognized in the balance sheet		
Present value of obligation as at the end of the year	23,340,178	17,612,169
Fair value of plan assets at the end of the year	8,792,554	8,821,883
Net asset/(liability) recognized in the balance sheet	(14,547,624)	(8,790,286)

	31 Mar 2016	31 Mar 2015
Amounts recognized in the statement of profit and loss		
Current service cost	4,142,264	5,528,991
Interest cost	1,371,382	1,005,775
Expected return on plan assets	(795,671)	(689,040)
Net actuarial(gain)/loss recognized for the year	2,138,943	157,792
Expenses recognized in the statement of profit and loss	6,856,918	6,003,518

Asset information	31 Mar 2016	31 Mar 2015
Category of Assets		
Insurer managed funds	100%	100%

	31 Mar 2016	31 Mar 2015
Principal actuarial assumptions as at balance sheet date		
Discount rate	7.80%	7.77%
Salary escalation	10.00%	10.00%
Expected return on plan assets	8.35%	8.75%
Attrition rate	15.00%	15.00%

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

Expected rate of return on planned assets: This 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.

Sai Wardha Power Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

7 Trade payables	31 Mar 2016	31 Mar 2015
Dues to other than micro and small enterprises	1,970,932,294	1,839,545,789
	<u>1,970,932,294</u>	<u>1,839,545,789</u>

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

8 Other current liabilities	31 Mar 2016	31 Mar 2015
Current maturities of long-term debt	2,605,174,000	1,606,182,000
Interest accrued but not due on borrowings	366,624,946	355,450,504
Interest accrued and due on borrowings	399,011,696	266,861,063
Creditors for capital goods	85,600,551	92,049,399
Salaries and bonus payable	35,823,048	12,296,156
Statutory liabilities	20,258,138	35,726,292
Forward cover payable	-	107,436,758
Other liabilities	836,112,899	639,951,983
Advance received for sale of assets	1,200,000	1,200,000
Derivative liabilities - option premium payable	57,669,181	56,587,109
	<u>4,407,474,459</u>	<u>3,173,741,264</u>

Sai Wardha Power Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Gross block						Depreciation				Net block	
	01 Apr 2015	Additions	Deletions	Adjustments	31 Mar 2016	01 Apr 2015	For the year	Deletions / Adjustments	Change in Method of Dep	31 Mar 2016	31 Mar 2015	
Tangible assets												
Land and site development												
- Free hold	81,554,294	-	-	-	81,554,294	-	7,544,304	-	-	-	81,554,294	
- Lease hold	711,821,151	-	-	-	711,821,151	47,535,565	169,526,905	-	-	54,879,869	656,941,282	
Buildings	5,558,251,312	-	-	163,050,561	5,521,281,873	695,354,468	801,829,532	-	-	864,881,375	4,656,400,500	
Plant and equipment	21,742,788,264	4,924,169	-	684,326,383	22,432,038,816	4,434,800,941	63,564,437	-	-	5,236,650,275	17,195,408,543	
Railway siding	906,870,229	-	-	34,776,923	941,647,152	167,247,440	1,033,103	-	-	230,811,877	710,835,275	
Furniture and fixtures	9,252,733	778,795	-	-	10,031,528	4,711,554	2,316,492	-	-	5,744,657	4,286,871	
Vehicles	14,533,621	-	-	-	14,533,621	7,256,498	2,342,207	-	-	9,498,705	5,034,916	
Office equipment	37,241,338	1,603,969	2,641,620	-	36,203,687	26,950,862	6,165,457	-	-	30,799,827	5,403,860	
Computers	22,880,613	28,854	-	-	22,909,467	15,444,109	1,750,997	-	-	17,195,106	5,714,361	
Total Tangible assets	28,884,993,555	7,335,787	2,641,620	882,153,867	29,771,841,589	5,399,101,437	1,053,656,742	2,316,492	-	6,450,441,687	23,321,399,902	
Intangible assets												
Computer software	54,228,681	-	-	-	54,228,681	53,396,774	676,448	-	-	54,073,222	155,459	
Total Intangible assets	54,228,681	-	-	-	54,228,681	53,396,774	676,448	-	-	54,073,222	155,459	
Capital work in progress	-	-	-	-	400,873,122	-	-	-	-	-	400,873,122	
Intangible assets under development	-	-	-	-	12,189,121	-	-	-	-	-	12,189,121	
Previous year 31 Mar 2015												
Tangible assets	28,367,119,098	65,950,201	46,376,656	498,300,912	28,884,993,555	10,659,593,180	1,029,437,979	11,605,881	6,278,123,841	5,399,101,437	23,485,892,118	
Intangible assets	53,509,684	718,997	-	-	54,228,681	51,983,707	1,413,067	-	-	53,396,774	831,907	
Capital work in progress	-	-	-	-	147,239,967	-	-	-	-	-	147,239,967	
Intangible assets under development	-	-	-	-	12,189,121	-	-	-	-	-	12,189,121	

Note : * Adjustments amount represents foreign exchange variation on account of restatement / settlement of long-term foreign currency monetary items relates to acquisition / construction of fixed assets.

Sai Wardha Power Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

10 Non-current investments	31 Mar 2016	31 Mar 2015
Other investments - at cost <i>(unquoted, fully paid up)</i>		
Investments in equity instruments		
42,000,001 (31 Mar 2015: 42,000,001) equity share of Rs.10/- each in KSK Mahanadi Power Company Limited	420,000,010	420,000,010
Investment in subsidiary		
169,950 (31 Mar 2015: 1,69,950) equity shares of Rs.10/- each in Field Mining and Ispats Limited.		
(At cost less provision for other than temporary diminution of Rs 128,962,059 (31st Mar 2015:128,962,059)		
	420,000,010	420,000,010
Aggregate value of unquoted investments	420,000,010	420,000,010
Aggregate provision for diminution in value of investments	128,962,059	128,962,059
11 Deferred tax assets (net)	31 Mar 2016	31 Mar 2015
Deferred tax asset / (liability) as at year end consisting of		
on carry forward of losses	7,533,784,717	6,488,813,805
expenses allowed / disallowed	90,419,302	(50,834,968)
on depreciation	(4,152,085,990)	(4,016,439,442)
Deferred tax asset- net	3,472,118,029	2,421,539,395
12 Loans and advances	31 Mar 2016	31 Mar 2015
Long-term loans and advances		
<i>Unsecured, considered good</i>		
Capital advances	78,681,055	78,269,284
Prepaid expenses	1,000,020	81,379
Advance tax and TDS receivable (net of provision for tax)	21,816,504	24,417,054
Total (A)	101,497,579	102,767,717
Short-term loans and advances		
<i>Secured, considered good</i>		
Advance for supplies / expenses	17,589,845	-
<i>Unsecured, considered good</i>		
Security deposits	252,067,276	169,615,733
Advance for supplies / expenses	505,643,303	1,140,119,200
Prepaid expenses	66,035,871	59,285,657
Other receivables	83,738,451	108,238,451
Inter corporate deposit	110,368,294	50,000,000
Other loans and advances		
<i>Unsecured, considered doubtful</i>		
Inter corporate deposit	19,045,000	19,045,000
Less: Provision for doubtful debts	(19,045,000)	(19,045,000)
Total (B)	1,035,443,040	1,527,259,041
Total (A+B)	1,136,940,619	1,630,026,758

Sai Wardha Power Limited
Notes to financial statements

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

13 Inventories	31 Mar 2016	31 Mar 2015
<i>(at lower of cost or net realisable value)</i>		
Coal	10,300,420	124,867,673
Coal - in transit	55,573,639	184,356,377
Stores and spares (including consumables)	698,276,061	543,763,681
Stores and spares - in transit	14,242,074	37,067,033
	<u>778,392,194</u>	<u>890,054,764</u>
14 Trade receivables		
	31 Mar 2016	31 Mar 2015
<i>Secured, considered good</i>		
Debts outstanding for a period exceeding six months	175,077,085	162,500,000
Other debts	147,430,104	40,876,686
Total (A)	<u>322,507,189</u>	<u>203,376,686</u>
<i>Unsecured, considered good</i>		
Debts outstanding for a period exceeding six months	1,839,111,205	916,199,590
Other debts	881,099,516	1,907,200,872
Total (B)	<u>2,720,210,721</u>	<u>2,823,400,462</u>
<i>Unsecured, considered doubtful</i>		
Debts outstanding for a period exceeding six months	145,863,650	-
Provision for doubtful debts	(145,863,650)	-
Total (C)	<u>-</u>	<u>-</u>
Total (A+B+C)	<u>3,042,717,910</u>	<u>3,026,777,148</u>
15 Cash and bank balances		
	31 Mar 2016	31 Mar 2015
Cash and cash equivalents		
Cash on hand	77,445	189,646
<i>Balances with banks</i>		
- On current account	22,403,990	110,147,380
Total (A)	<u>22,481,435</u>	<u>110,337,026</u>
Other bank balances		
Deposits with bank held as margin money or security against guarantee or borrowings	557,957,365	577,785,192
Total (B)	<u>557,957,365</u>	<u>577,785,192</u>
Total (A+B)	<u>580,438,800</u>	<u>688,122,218</u>
16 Other assets		
	31 Mar 2016	31 Mar 2015
Other non - current assets		
Interest accrued on deposits	135,540	289,438
Balances with statutory authorities	1,093,378,168	1,306,849,182
<i>Balances with banks</i>		
- Deposits with bank held as margin money or security against guarantee or borrowings	4,056,560	2,532,014
Unamortised portion of ancillary cost of arranging the borrowings	366,221,025	445,934,598
Derivative asset	1,610,876,606	1,473,271,617
Total (A)	<u>3,074,667,899</u>	<u>3,228,876,849</u>
Other current assets		
Interest accrued on deposits	43,800,484	50,103,157
Balances with statutory authorities	106,613,207	-
Forward cover receivable	-	105,764,207
Deferred premium on forward contract	-	272,684
Unamortised portion of ancillary cost of arranging the borrowings	86,271,998	86,062,334
Total (B)	<u>236,685,689</u>	<u>242,202,382</u>
Total (A+B)	<u>3,311,353,588</u>	<u>3,471,079,231</u>

Sai Wardha Power Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

17 Revenue from operations		
	31 Mar 2016	31-Mar-15
Sale of energy	7,937,391,717	5,561,299,097
Other operating income	1,336,835	9,142,230
	<u>7,938,728,552</u>	<u>5,570,441,327</u>
18 Other income		
	31 Mar 2016	31-Mar-15
Interest income	51,564,349	60,376,401
Miscellaneous income	412,608	8,930,759
Foreign exchange fluctuations, net	1,499,290	19,158,877
	<u>53,476,247</u>	<u>88,466,037</u>
19 Cost of fuel consumed		
	31 Mar 2016	31-Mar-15
Consumption of Coal		
- indigenous	4,324,175,799	2,859,004,621
- imported	245,936,834	335,184,125
Consumption of LDO and HFO (all indigenous)	44,386,757	41,932,867
	<u>4,614,499,390</u>	<u>3,236,121,613</u>
<i>Percentage of consumption of raw material</i>		
- indigenous	95%	90%
- imported	5%	10%
	<u>100%</u>	<u>100%</u>
20 Manufacturing expenses		
	31 Mar 2016	31-Mar-15
Consumption of stores and spares		
- indigenous	58,542,759	64,280,056
- imported	97,777,525	7,994,934
Operation and maintenance expenses	332,285,121	301,634,724
Cost of import power	31,073,323	45,088,475
Raw water expenses	84,476,854	32,909,919
Repairs and maintenance - plant and equipment	4,362,442	8,374,244
	<u>608,518,024</u>	<u>460,282,352</u>
<i>Percentage of consumption of stores and spares</i>		
- indigenous	37%	89%
- imported	63%	11%
	<u>100%</u>	<u>100%</u>
21 Employee benefit expenses		
	31 Mar 2016	31-Mar-15
Salaries, wages and bonus	197,092,177	172,421,311
Contribution to provident and other funds	13,581,649	10,591,958
Staff welfare expenses	7,141,113	7,041,007
	<u>217,814,939</u>	<u>190,054,276</u>

Sai Wardha Power Limited**Notes to financial statements**

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

22 Other expenses

	31 Mar 2016	31-Mar-15
Rent	7,067,409	6,035,364
Rates and taxes	68,200,712	12,733,769
Insurance charges	18,735,763	31,977,757
Freight outward	37,633,185	48,117,460
Consultancy and professional charges	91,340,938	385,221,686
Transmission charges	533,720,038	601,401,224
Selling and distribution expenses	70,797,062	19,826,591
Repairs and maintenance		
- Building	2,284,079	3,763,759
- Others	35,555,835	34,407,255
Remuneration to auditors		
- for audit	1,108,750	1,000,000
- for tax audit	30,000	150,000
- for certifications	171,722	285,000
- for out of pocket expenses	-	5,644
Travel and conveyance	19,309,063	19,823,663
Donation / gifts	3,071,350	2,956,753
Provision for diminution in value of investments	-	128,962,059
Provision for doubtful receivables	145,863,650	19,045,000
Bad debts written off	-	1,549,218,214
Security / watch and ward expenses	29,103,203	23,414,772
Miscellaneous expenses	21,828,482	38,679,678
	1,085,821,241	2,927,025,648

23 Finance costs

	31 Mar 2016	31-Mar-15
Interest expense	2,562,445,500	2,367,841,782
Other borrowing cost	472,822,939	447,263,151
Derivative premium	336,172,913	311,022,941
Loss on derivatives / swap contracts	110,489,361	236,007,147
	3,481,930,713	3,362,135,021

24 a) Capital commitment and contingent liabilities:**Capital Commitment**

(i) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances as at 31 Mar 2016 Rs. 228,377,974 (31 Mar 2015: Rs. 424,554,573)

Contingent liability

i) Corporate guarantees outstanding Rs 6,389,218,856 (31 Mar 2015: Rs.6,061,140,978)

ii) Letter of credit outstanding Rs. 990,524,210 (31 Mar 2015 : Nil)

iii) Claims against the Company not acknowledged on debt Rs. 383,898,957 (31 Mar 2015: Rs.383,898,957)

iv) The Company has received claims for Rs.22,872,130 (31 Mar 2015: Rs.22,872,130) 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 meeting 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

Sai Wardha Power Limited
Notes to financial statements

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

v) The Company has filed a claim against Maharashtra State Electricity Distribution Company Limited ('MSEDCL') towards recovery of the amount withheld against supply of energy under Power Purchase Agreement (including penalty on such amount) amounting to Rs. 729,318,248. The facility required for generation of the agreed quantum of power was not ready as per agreed schedule on account of unexpected factors beyond the control of the Company, the Company proposed to MSEDCL, an arrangement to secure the energy from alternate sources for the short quantity required to meet the obligation under the power purchase agreement. MSEDCL, accepted the proposal and also confirmed that the energy supplied from alternate sources will also be subject to the tariff agreed under the power purchase agreement. However, after initial payments for the period April to June 2010, starting July 2010 to October 2010, MSEDCL, did not settle the entire dues billed and the certain amounts were withheld without any explanation. The Company contended before Maharashtra Electricity Regulatory Commission ("MERC") that since the energy supplied and billed was as per the terms agreed and the similar bills of earlier months were paid by MSEDCL, there is no cause to withhold the payments. However, MERC has dismissed the petition. The Company has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the order of MERC and APTEL also rejected the appeal. The Company has filed an appeal before Honorable Supreme Court of India. Pending adjudication, the Company believes that the final outcome of the above dispute should be in favour of the Company and there should be no material impact on the financial statements. During the year the Company has made a provision of 20% against the said receivable.

vi) Other non-current assets includes an amount of Rs. 1,093,378,168 (31 Mar 2015: 1,306,849,182) relating to Central Excise, VAT and Service Tax receivable from the respective departments by the Company. The Company is registered as SEZ unit. A unit in SEZ is allowed to import goods (purchase from local market is also treated as import) without payment of duty for the purpose of its authorised operations. The exemption from the payment of duties and taxes are provided under Section 26 of the SEZ Act, 2005. In respect of Service Tax, the Company has already received a refund for the period January 2013 to March 2014 and a favourable order from CESTAT for the period from March 2009 to June 2009 and claims for remaining period is pending before CESTAT. Thus the Company is confident of receiving refund for the remaining period as well. In respect of VAT claims, Company has already received refund, for the financial year 2007-08, 2008-09, 2009-10, 2010-11 and for the financial year 2013-14 on adhoc basis, Assessment still pending, and received the refund order for financial year 2011-12 and thus the Company is confident to receive the refund for the remaining years as well. However, the excise duty refund claims were rejected by the department stating that there are no provision of refund under the SEZ Act. However the Company has gone to CESTAT, wherein the CESTAT has decided that the Appeal is not maintainable with CESTAT, but lies with the Revisionary Authority, therefore the claims has been filed with Jt. Secretary Government of India, Ministry of Finance Nwe Delhi. Since the Company has born the duty burden and accordingly the Company is very confident that the entire amount is receivable

vii) The captive customers of the Company has deducted from the sales invoices and paid an amount of Rs. 542,558,398/- towards Cross Subsidy Surcharge ('CSS') levied by MSEDCL for the financial year 2012-13 before ascertaining the captive status of the plant at the end of financial year which was against the express provisions of the Electricity Act 2003 read with the Electricity Rules, 2005. MERC asked the Company to pay CSS on ground of non-fulfilment of criteria of 51% supply to captive users as per Rule 3 of the Electricity Rules 2005. Aggrieved by the said order of the MERC, the Company has filed an appeal before the APTEL on the ground that the non-fulfilment of captive criteria by the company was attributed to the delay caused by MSEDCL in granting open access to captive customers. APTEL also rejected the appeal. However Company has filed review petition with APTEL. Pending adjudication of the same, the company believes that there is a good chance of succeeding before the APTEL and hence no adjustment has been made in the financial statements.

viii) The Company is also subject to various other legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The Company's Management does not reasonably expect that these legal proceedings, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions. The Company has accrued appropriate provision wherever required.

24 b) Arrears of preference dividend and tax thereon:

Arrears of dividend on cumulative redeemable preference shares not provided for Rs. 385,241,772 (31 Mar 2015: Rs.2,398,541)

25 As the Company is engaged only in the generation and sale of electricity, there are no differing risks and returns attributable to the Company's services or its clients. 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.

Sai Wardha Power Limited
Notes to financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

26 Related party disclosures

a) Parties where control exists:

S.No.	Name of the related party	Nature of relationship
1	KSK Energy Ventures Limited	Step-up holding company
2	KSK Electricity Financing India Private Limited	Holding company
3	Field Mining and Ispats Limited	Subsidiary company

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

S.No.	Name of the related party	Nature of relationship
1	KSK Mahanadi Power Company Limited	Fellow subsidiary company
2	KSK Energy Company Private Limited	Fellow subsidiary company
3	Sai Lilagar Power Limited	Fellow subsidiary company
4	KSK Surya Photo Volatic Venture Limited	Fellow subsidiary company
5	KSK Investment Advisory Private Limited	Fellow subsidiary company
6	Sai Regency Power Corporation Private Limited	Fellow subsidiary company
7	V S Lignite Power Private Limited	Fellow subsidiary company

c) Key Management Personnel

S.No.	Name of the related party	Nature of relationship
1	K A Sastry	Whole-time Director
2	S Kishore	Director
3	S Venkatesh	Director

d) Particulars of related party transactions:

		31 Mar 2016		
S.No.	Particulars	Holding / Step up holding	Fellow subsidiaries	Subsidiary
Transactions				
1	Interest expense	41,473,957	-	-
2	Interest income	3,822,490	-	-
3	Management fees	123,811,239	-	-
4	Purchases of goods	239,042,652	305,226	-
5	Purchase of assets	-	50,000	-
6	Sale of electricity	-	25,309,564	-
7	Loan taken / (repaid)	684,649,220	173,711,188	-
8	Loan and advances given / (repaid)	69,200,000	60,318,294	50,000
9	Provision for doubtful receivables	-	-	19,045,000
Balances				
1	Amount receivable	72,640,241	134,827,809	-
2	Amount payable	1,212,663,388	476,855,801	-

		31 Mar 2015		
S.No.	Particulars	Holding / Step up holding	Fellow subsidiaries	Subsidiary
Transactions				
1	Interest expense	29,563,668	64,662,005	-
2	Interest income	3,949,426	878,361	-
3	Management fees	270,000,000	105,527,700	-
4	Loan taken	169,000,000	(412,000,000)	-
5	Purchase of assets	-	628,560	-
6	Sale of assets and spares	-	49,339,770	-
7	Advance for investments / (repaid)	-	(930,000,000)	-
8	Provision for doubtful receivables	-	-	19,045,000
Balances				
1	Amount receivable	-	49,265,762	-
2	Amount payable	238,093,000	395,151,304	-

Sai Wardha Power Limited

Notes to financial statements

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

- e) Equity held in subsidiaries have been disclosed under " Non -current investment", (Note 10).
- f) KSK Electricity Financing India Private Limited, the holding company has pledged 440,644,711 shares held in the Company as security towards the borrowings of the Company.
- g) Corporate guarantees of Rs.3,927,674,000 (31 Mar 2015: Rs.4,133,758,000), Letter of credits of Rs.1,113,334,485 (31 Mar 2015: Rs.1,293,827,002) and Bank guarantees of Rs.7,500,000 (31 Mar 2015: Rs.Nil) has been given by step up holding company and fellow subsidiary company on behalf of the Company.
- h) Corporate guarantees of Rs.6,438,400,000 (31 Mar 2015: Rs.6,438,400,000), Letter of credits of Rs.990,524,210 (31 Mar 2015: Rs. Nil) has been given by the company on behalf of KSK Water Infrastructures Private Limited (fellow subsidiary company) and Sai Lilagar Private Limited (fellow subsidiary company)

27 Earnings/(loss) per share :

	31 Mar 2016	31-Mar-15
Profit / (Loss) after taxes (amount in rupees)	(2,020,134,064)	783,350,806
Less :Preference dividend and tax thereon	382,843,082	2,398,541
Net Profit / (loss) attributable to share holders	(2,402,977,146)	780,952,265
Less :Profit / (Loss) attributable to Class A equity share holders	(102,623)	95,524
Profit / (Loss) attributable to Class B equity share holders	(2,402,874,523)	780,856,740
Weighted average number of equity shares outstanding during the period (used for calculation of basic earnings per share)		
Class 'A'	102,623,460	95,524,380
Class 'B'	292,080,693	271,875,620
Weighted average number of equity shares outstanding during the period (used for calculation of diluted earnings per share)		
Class 'A'	102,623,460	95,524,380
Class 'B'	292,080,693	271,875,620
Earnings/(loss) per share		
- basic & diluted (Rs.)-		
Class A shares	(0.001)	0.001
Class B shares	(8.23)	2.87
Nominal value of equity shares (Rs.per share)	10	10

28 Earnings in foreign currency on accrual basis :

S.No.	Particulars	31 Mar 2016	31-Mar-15
(i)	Sale of goods - FOB value	2,062,401,249	1,413,400,179

29 Expenditure in foreign currency on accrual basis :

S.No.	Particulars	31 Mar 2016	31-Mar-15
(i)	Travel expenses	80,810	-
(ii)	Operation and maintenance charges	8,545,605	78,443,485
(iii)	Other charges	418,947,763	393,588,593
(iv)	Interest on loans	1,122,763,721	1,000,723,342

30 Value of imports calculated on CIF basis :

S.No.	Particulars	31 Mar 2016	31-Mar-15
(i)	Raw materials	48,924,661	408,261,022
(ii)	Components and spares	241,528,524	38,890,555

31 Operating Leases :

The company has entered in to certain operating lease agreements. An amount of Rs.7,059,369 (31 Mar 2015: Rs.6,035,364) paid under such agreements has been disclosed as "Rent" in Statement of Profit and Loss.

Sai Wardha Power Limited

Notes to financial statements

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

32 Derivative instruments and unhedged foreign currency exposure

a. Derivative contracts entered in to by the Company and outstanding as at the Balance sheet date

	Purpose	31 Mar 2016	31-Mar-15
Currency option contracts	Hedge of foreign currency loan	10,524,733,830 \$158,850,000	9,956,527,380 \$158,850,000
Interest rate swaps	Hedge against exposure to variable interest outflow on loans	8,149,463,400 \$123,000,000	7,709,492,400 \$123,000,000
Forward contract	Hedge of foreign currency loans	- -	105,764,207 \$1,687,400

b. Particulars of unhedged foreign currency exposure :

Particulars	31 Mar 2016	31-Mar-15
Import creditors (including retention money)	295,994,341 \$4,467,448	142,618,923 \$2,275,393
Loans	8,026,890,172 \$121,150,000	7,906,930,623 \$126,150,000
Interest outstanding	463,995,929 \$7,003,099	337,808,460 \$5,389,517
Receivables	403,371,233 \$6,088,089	293,791,729 \$4,687,258
Premium payable	57,669,181 \$870,402	56,587,110 \$902,811
Bank balance	- -	426,878 \$6,811

33 In the opinion of board, any of the assets other than fixed assets and non-current investment 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.

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

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

for and on behalf of the Board

S.Venugopal
Partner
Membership No. 205565

K A Sastry S Kishore
Whole-time Director Director
DIN - 00006566 DIN - 00006627

Place: Hyderabad
Date: 30 May 2016

C Srinivas G Kranthi Kiran
Chief Financial Officer Company Secretary