Independent Auditors' Report

To the Members of Bhubaneshwar Power Private Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Bhubaneshwar Power Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 8, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.

ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Bhubaneswar
Date: May 15, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Bhubaneshwar Power Private Limited on the financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Bhubaneshwar Power Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Bhubaneshwar Power Private Limited on the financial statements for the year ended March 31, 2018

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Bhubaneswar
Date: May 15, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Bhubaneshwar Power Private Limited on the financial statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess, goods and service tax with effect from July 1, 2017, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

Annexure B to Independent Auditors' Report
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Bhubaneshwar Power Private Limited on the financial statements as of and for the year ended March 31, 2018

xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to that extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Bhubaneswar
Date: May 15, 2018

Bhubaneshwar Power Private Limited
Balance Sheet as at 31 March, 2018 **₹ in Lakhs**

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
I. ASSETS:			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4	87,188.10	91,900.13
(b) Capital Work-in-Progress	5	127.03	10.07
(c) Intangible Assets	6	1.86	2.46
(d) Tax Assets (Net)	7	149.99	143.33
(e) Other Non-Current Assets	8	1,033.83	1,080.79
Total Non-Current Assets		**88,500.81**	**93,136.78**
2. Current Assets			
(a) Inventories	9	1,227.18	732.47
(b) Financial Assets			
(i) Trade Receivables	10	18.86	3,037.49
(ii) Unbilled Revenue		4,192.30	-
(iii) Cash and Cash Equivalents	11	116.56	127.26
(iv) Other Balances with Banks	12	276.88	239.98
(v) Other Financial Assets	13	30.94	228.10
(c) Other Current Assets	14	1,737.27	971.54
Total Current Assets		**7,599.99**	**5,336.84**
Total Assets		**96,100.80**	**98,473.62**
II. EQUITY AND LIABILITIES:			
Equity			
(a) Equity Share Capital	15	23,025.12	23,025.12
(b) Other Equity	16	(10,166.25)	(2,865.60)
Total Equity		**12,858.87**	**20,159.52**
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	55,643.75	61,400.00
(b) Provisions	18	23.26	19.83
(c) Deferred tax liabilities	19	3,609.38	-
Total Non-Current Liabilities		**59,276.39**	**61,419.83**
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	4,313.99	4,279.52
(ii) Trade Payables	21	2,796.83	1,825.86
(iii) Other Financial Liabilities	22	9,144.26	10,515.03
(b) Provisions	18	15.01	8.84
(c) Other Current Liabilities	23	7,695.45	265.02
Total Current Liabilities		**23,965.54**	**16,894.27**
Total Liabilities		**83,241.93**	**78,314.10**
Total Equity and Liabilities		**96,100.80**	**98,473.62**

See accompanying notes to the Financial Statements (1 - 41)

In terms of our report attached

For Price Waterhouse & Co Chartered Accountants L **For and on behalf of the Board of Directors**
Firm Registration Number: 304026E / E300009
Chartered Accountants

Dhiraj Kumar Partner Membership Number: 060466	**Sharad Kumar** Managing Director	**B D Nanda** Director
	Rajesh Singh Chief Financial Officer	**Srikanth Adalat** Company Secretary
Place : Bhubaneswar Date : 15 May 2018	Place : Bhubaneswar Date : 15 May 2018	

Bhubaneshwar Power Private Limited
Statement of Profit and Loss for the Year Ended 31 March, 2018 **₹ in Lakhs**

Sl. No.	Particulars	Note No.	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
I.	Revenue from Operations	24	41,315.45	30,501.93
II.	Other Income	25	80.55	82.75
III.	**Total Income (I+II)**		**41,396.00**	**30,584.68**
IV.	**EXPENSES**			
	Fuel Consumed		22,110.19	15,082.87
	Electricity Duty		4,267.12	1,955.72
	Employee Benefits Expense	26	679.11	751.88
	Finance Costs	27	8,990.94	9,567.81
	Depreciation and Amortization Expense	28	5,033.94	4,193.38
	Other Expenses	29	4,007.97	3,261.02
	Total Expenses		45,089.27	34,812.68
	Less: Expenses transferred to Capital Work-in-Progress		-	(1,824.28)
	Total Expenses (IV)		45,089.27	32,988.40
V.	**Loss Before Tax (III-IV)**		**(3,693.27)**	**(2,403.72)**
VI.	**Tax Expense**			
	1. Current tax		-	-
	2. Deferred tax (Refer Note No. 19)		3,609.38	-
VII.	**Loss for the Year (V-VI)**		**(7,302.65)**	**(2,403.72)**
VIII.	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
	- Remeasurements of defined employee benefit plans		2.00	3.70
IX.	**Total Comprehensive Loss for the Year (VII+VIII)**		**(7,300.65)**	**(2,400.02)**
X.	**Loss per Equity Share (Face Value of ₹ 10 each)**			
	Basic and Diluted (Refer Note No. 35)		(3.17)	(1.04)

See accompanying notes to the Financial Statements (1 - 41)

In terms of our report attached
For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E300009
Chartered Accountants

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Sharad Kumar
Managing Director

B D Nanda
Director

Rajesh Singh
Chief Financial Officer

Srikanth Adalat
Company Secretary

Place : Bhubaneswar
Date : 15 May 2018

Place : Bhubaneswar
Date : 15 May 2018

Bhubaneshwar Power Private Limited
Cash Flow Statement for the Year Ended 31 March, 2018

₹ in Lakhs

Particulars		For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
A) Cash Flow from Operating Activities			
Loss Before Tax		(7,302.65)	(2,403.72)
Adjustments for:			
Depreciation and Amortization Expense		5,033.94	4,186.65
Finance Costs		8,990.95	8,008.53
Interest on Fixed Deposits		(47.79)	(47.78)
Loss on sale of Property, Plant and Equipment		3.76	0.64
Operating Profit / (Loss) before working capital changes (See note (b) below)		**6,678.21**	**9,744.32**
Movement in Working Capital			
(Increase) / Decrease in Other Non-Current Assets		10.60	7.45
(Increase) / Decrease in Inventories		(494.71)	1,300.56
(Increase) / Decrease in Trade Receivables		3,018.63	(3,037.49)
(Increase) / Decrease in Trade Receivables - Unbilled		(4,192.30)	
(Increase) / Decrease in Other Financial Assets		202.19	(205.65)
(Increase) / Decrease in Other Current Assets		(765.73)	101.69
Increase / (Decrease) in Non-Current Provisions		3,614.81	17.19
Increase / (Decrease) in Trade Payables		8,396.95	1,724.40
Increase / (Decrease) in Current Provisions		6.17	(16.76)
Increase / (Decrease) in Other Current Liabilities		4.45	(7.09)
Cash Generated from / (Used in) Operations		**16,479.27**	**9,628.62**
Income Taxes Refund		(6.66)	14.40
Net Cash Generated from / (Used in) Operations	**(A)**	**16,472.61**	**9,643.02**
B) Cash Flow from Investing Activities			
Interest Received on Fixed Deposits		42.76	61.49
Sale of Property, Plant and Equipment		4.92	-
Fixed Deposits with Banks		(36.90)	(17.93)
Capital Expenditure on Property, Plant and Equipment including Capital Advances		(1,663.89)	(5,219.21)
Net Cash used in Investing Activities	**(B)**	**(1,653.11)**	**(5,175.65)**
C) Cash Flow from Financing Activities			
Proceeds from issue of Equity Shares		-	-
Proceeds from Long Term Borrowings		-	1,653.95
Repayment of Long Term Borrowings		(5,756.25)	(1,918.75)
Proceeds from Short Term Borrowings		34.47	1,684.27
Finance Costs		(9,108.43)	(8,801.10)
Net Cash Flow from / (Used in) Financing Activities	**(C)**	**(14,830.21)**	**(7,381.63)**
Net Decrease in Cash and Cash Equivalents	**(D) = (A+B+C)**	**(10.71)**	**(2,914.26)**
Opening Cash and Cash Equivalents	**(E)**	**127.27**	**3,041.53**
Closing Cash and Cash Equivalents	**(F) = (D)+(E)**	**116.56**	**127.27**

Notes:

a) Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 "Statement of Cash Flows". Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash committments.

b) Cash flow from operating activities is after considering amounts transferred to Capital Work-in-Progress.

In terms of our report attached
For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E300009
Chartered Accountants

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Sharad Kumar
Managing Director

B D Nanda
Director

Rajesh Singh
Chief Financial Officer

Srikanth Adalat
Company Secretary

Place : Bhubaneswar
Date : 15 May 2018

Place : Bhubaneswar
Date : 15 May 2018

Bhubaneshwar Power Private Limited
Statement of Changes in Equity for the Year Ended 31 March, 2018

Equity Share Capital **₹ in Lakhs**

Particulars	Equity Share Capital
Balance as at 1 April, 2016	**23,025.12**
Changes in Equity Share Capital during the Year	-
Balance as at 31 March, 2017	**23,025.12**
Changes in Equity Share Capital during the Year	-
Balance as at 31 March, 2018	**23,025.12**

Other Equity

Particulars	Reserves and Surplus	Items of Other Comprehensive Income	Total
	Retained Earnings	Remeasurement gains / (losses) on defined benefit plans	
Balance as at 1 April, 2016	(466.99)	1.41	(465.58)
Loss for the Year	(2,403.72)	-	(2,403.72)
Other Comprehensive Income for the Year, net of income tax	-	3.70	3.70
Total Comprehensive Income for the Year	**(2,403.72)**	**3.70**	**(2,400.02)**
Balance as at 31 March, 2017	**(2,870.71)**	**5.11**	**(2,865.60)**
Loss for the Year	(7,302.65)	-	(7,302.65)
Other Comprehensive Income for the Year, net of income tax	-	2.00	2.00
Total Comprehensive Income for the Year	**(7,302.65)**	**2.00**	**(7,300.65)**
Balance as at 31 March, 2018	**(10,173.36)**	**7.11**	**(10,166.25)**

See accompanying notes to the Financial Statements (1 - 41)

In terms of our report attached
For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E300009
Chartered Accountants

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Sharad Kumar
Managing Director

B D Nanda
Director

Rajesh Singh
Chief Financial Officer

Srikanth Adalat
Company Secretary

Place : Bhubaneswar
Date : 15 May 2018

Place : Bhubaneswar
Date : 15 May 2018

1) General Information

Bhubaneshwar Power Private Limited (BPPL) was incorporated on 31 July, 2006 and was formed for the purpose of generating, distributing and supplying of power by setting up thermal power plant. A Joint Venture Agreement was entered into between Tata Steel Limited, its wholly owned subsidiary TS Alloys Limited ("TSAL") and Jasper Industries Private Limited ("JIPL") for setting up a 135 MW (2 x 67.5 MW each) thermal Captive Power Plant at Anantapur Village in Cuttack District of Odisha. The power generated at BPPL plant would primarily be used by Tata Steel Limited and its group of Companies. During the year ended 31 March 2011, vide Deed of Adherence entered between the Joint Venture partners, the entire shareholding and obligation of JIPL was transferred/assigned to JL Power Ventures Private Limited (subsidiary of JIPL). On 1 February 2018, vide a Share Purchase Agreement entered into between JL Power Ventures Private Limited and Tata Steel Limited, JL Power Ventures Limited sold its entire equity stake of 74% in the Company to Tata Steel Limited.

2) Compliance with Ind AS

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

3) Significant Accounting Policies

3.1 Basis of preparation and presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Use of estimates and judgments

The preparation of these Financial Statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the Financial Statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate are recognised in the period in which the estimate are revised and future period are affected.

3.3 Critical estimates and judgements

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has recognised deferred tax liabilities on a net basis.

3.4 Revenue Recognition

Revenue from Sale of Energy

Revenue from sale of energy is recognised as per the power purchase agreement with the consumers to the extent that it is probable that the future economic benefits will flow to the Company and the revenue can measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is included in other income in the statement of profit and loss.

3.5 Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

3.6 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

3.7 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3.8 Employee Benefits

3.8.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

3.8.2 Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.8.3 Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

3.8.4 Compensated absences

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3.9 Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Refer Note 35).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.10 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the Income tax Act, 1961 and other applicable tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provisions arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.11 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.11.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.11.2 Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

3.12 Property, Plant and Equipment & Intangible Assets

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated in the Balance Sheet at Historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation methods, estimated useful lives and residual value

Relevant provisions pertaining to providing of depreciation as per the Companies Act, 2013 which came in to effect from 1 April, 2014, provide inter-alia that such industries which are governed by specific statutes, can make provision for depreciation / amortization as prescribed under the relevant statutes, instead of adopting the methodology defined in Schedule-II of the Act.

As the Company's business is that of power generation and is governed by the Electricity Act, 2003, it has been decided by the management to provide for depreciation on straight line method at the rates prescribed under the guidelines issued by the Central Electricity Regulatory Commission ("CERC") from time to time, which are as under:

- Buildings 25 years
- Buildings – temporary structures Nil
- Plant and equipment 18.94 years
- Office equipment 15.80 years
- Furniture and fixtures 15.80 years
- Vehicles 18.94 years
- Computers 6.67 years
- Computer software 6.67 years

Individual assets costing ₹ 5,000 or less are fully depreciated in the year of capitalization.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss.

3.13 Impairment

3.13.1 Financial assets (other than at fair value)

The Company assesses at each date of balance sheet as per Ind AS 109 whether a financial asset or a group of financial assets is impaired and an impairment loss (if any) is recognised in the Statement of Profit and Loss.

3.13.2 Non-financial assets (other than at fair value)

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

3.14 Inventories

Inventories are valued at the lower of cost, ascertained on “weighted average method", and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale / consumption, including octroi and other levies, transit insurance and receiving charges.

3.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.16 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.18 Provisions and Contingencies

A provision is recognized when Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes forming part of the Financial Statements.

3.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

3.20 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 4. Property, Plant and Equipment **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Carrying amounts :		
Freehold Land	842.27	842.27
Buildings	1,561.71	1,578.73
Plant & Equipment	84,619.51	89,293.09
Furniture and Fixtures	43.96	46.01
Office Equipment	69.09	75.35
Vehicles	51.56	64.68
Total	**87,188.10**	**91,900.13**

Particulars	Freehold Land	Buildings	Plant & Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost or Deemed Cost							
Balance as at 1 April, 2016	842.27	92.49	299.83	53.66	90.02	74.83	1,453.10
Additions	-	1,562.98	93,123.21	2.45	7.25	-	94,695.89
Disposals	-	-	-	(0.09)	(0.67)	-	(0.76)
Balance as at 31 March, 2017	**842.27**	**1,655.47**	**93,423.04**	**56.02**	**96.60**	**74.83**	**96,148.23**
Additions	-	38.15	285.39	1.91	4.54	-	329.99
Disposals	-	-	-	-	-	(10.12)	(10.12)
Balance as at 31 March, 2018	**842.27**	**1,693.62**	**93,708.43**	**57.93**	**101.14**	**64.71**	**96,468.10**
Accumulated Depreciation							
Balance as at 1 April, 2016	-	19.91	14.29	5.75	10.48	5.13	55.56
Depreciation Expense	-	56.83	4,115.66	4.27	10.88	5.02	4,192.66
Depreciation on Disposals	-	-	-	(0.01)	(0.11)	-	(0.12)
Balance as at 31 March, 2017	**-**	**76.74**	**4,129.95**	**10.01**	**21.25**	**10.15**	**4,248.10**
Depreciation Expense	-	55.17	4,958.97	3.96	10.80	4.44	5,033.34
Depreciation on Disposals	-	-	-	-	-	(1.44)	(1.44)
Balance as at 31 March, 2018	**-**	**131.91**	**9,088.92**	**13.97**	**32.05**	**13.15**	**9,280.00**
Carrying amount as at 31 March, 2017	**842.27**	**1,578.73**	**89,293.09**	**46.01**	**75.35**	**64.68**	**91,900.13**
Carrying amount as at 31 March, 2018	**842.27**	**1,561.71**	**84,619.51**	**43.96**	**69.09**	**51.56**	**87,188.10**

Note:
i) Property, Plant and Equipment of the Company have been pledged as security against the Borrowings [See Note No. 17(i)].

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 5. Capital Work-in-Progress **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Assets under Construction	127.03	10.07
Incidental expenses incurred during construction period pending allocation (See details below)	-	22,916.56
Less: Incidental expenses during construction period allocated to Property, Plant and Equipment	-	(22,916.56)
Total	**127.03**	**10.07**

Incidental Expenses incured during construction period pending allocation : **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
A. Employee Benefits Expense		
Salaries	-	1,883.56
Contribution to Provident and Other Funds	-	48.03
Gratuity Expenses	-	26.54
Staff Welfare Expenses	-	157.47
Total (A)	**-**	**2,115.60**
B. Administration and Other Expenses		
Rent	-	217.37
Power and Fuel	-	100.37
Repairs and Maintenance	-	249.05
Rates and Taxes	-	171.21
Insurance	-	381.79
Travelling and Conveyance	-	479.66
Communication Expenses	-	52.84
Printing and Stationery	-	30.71
Security Expenses	-	191.62
Consultancy Charges	-	1,031.29
Miscellaneous Expenses	-	112.28
Depreciation and Amortisation	-	152.38
Operating Lease Payments	-	5.93
Total (B)	**-**	**3,176.50**
C. Interest and Finance Charges		
Interest on Term Loans	-	18,110.80
Interest on Working Capital	-	61.75
Other Borrowing Cost	-	980.50
Total (C)	**-**	**19,153.05**
D. Interest Income on Fixed Deposits	**-**	**(1,528.59)**
Total (A+B+C+D)	**-**	**22,916.56**

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 6. Intangible Assets **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Carrying amounts :		
Software & Licenses	1.86	2.46
Total	**1.86**	**2.46**

Particulars	Software & Licenses
Cost or Deemed Cost	
Balance as at 1 April, 2016	2.55
Additions	1.06
Disposals	-
Balance as at 31 March, 2017	**3.61**
Additions	-
Disposals	-
Balance as at 31 March, 2018	**3.61**
Accumulated Depreciation	
Balance as at 1 April, 2016	0.43
Depreciation Expense	0.72
Depreciation on Disposals	-
Balance as at 31 March, 2017	**1.15**
Depreciation Expense	0.60
Depreciation on Disposals	-
Balance as at 31 March, 2018	**1.75**
Carrying amount as at 31 March, 2017	**2.46**
Carrying amount as at 31 March, 2018	**1.86**

Note:
i) Intangible assets of the Company have been pledged as security against the Borrowings [See Note No. 17(i)].

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 7. Tax Assets (Net) **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Income Tax Assets (Net)	149.99	143.33
Total	**149.99**	**143.33**

Note 8. Other Non-Current Assets **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Unsecured, Considered Good		
Capital Advances	301.98	369.19
Mobilisation Advances	30.87	-
Security Deposits	356.02	348.21
Prepaid Lease Payments	328.64	340.98
Prepaid Expenses	16.32	22.41
Total	**1,033.83**	**1,080.79**

Note 9. Inventories **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
(Lower of cost or net realisable value)		
Raw Materials - Coal	698.68	398.34
Raw Materials - Coal in Transit	-	35.53
Stores and Spares	528.50	298.60
Total	**1,227.18**	**732.47**

The mode of valuation of inventories has been stated in Note No. 3.14.

Note 10. Trade Receivables **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Unsecured, Considered good	18.86	3,037.49
Total	**18.86**	**3,037.49**

1. The credit period on sales of power is 30 days. Payments made after 30 days from the date of submission of invoice shall bear interest from such due date until paid at the rate of one (1%) percent per month.

2. At 31 March 2018, the Company had 2 customers (31 March 2017: 2 customers) who owed the Company ₹ 4,192.30 lakhs (considered as unbilled revenue) (31 March 2017: ₹ 3,037.36), and account for 100% (31 March 2017: Nil %) of all the receivables outstanding.

3. The Company maintains 0% allowance for impairment of doubtful accounts for all trade receivables. The allowance is based on financial condition of the customer, ageing of the customer, account receivable and past experience of realisation of receivables.

4. The concentration of credit risk is limited due to the fact that the Company has only 2 customers.

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 11. Cash and Cash Equivalents — **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Cash and Cash equivalents		
(a) Cash on Hand	-	0.07
(b) Balances with Banks		
In Current Accounts	116.56	127.19
Total	**116.56**	**127.26**

Note: Cash and Cash equivalents as above meet the definition of Cash and Cash equivalents as per Indian Accounting Standard 7 "Statement of Cash Flows".

Note 12. Other Balances with Banks — **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Other Bank Balances - Margin Money Deposit	276.88	239.98
Total	**276.88**	**239.98**

Note 13. Other Financial Assets — **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Unsecured, Considered Good		
Security Deposits	20.88	223.07
Interest Accrued on Fixed Deposits	10.06	5.03
Total	**30.94**	**228.10**

Note 14. Other Current Assets — **₹ in Lakhs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Unsecured, Considered Good		
Advance to Suppliers	1,674.66	888.26
Prepaid Lease Payments	12.34	12.34
Prepaid Expenses	50.27	70.94
Total	**1,737.27**	**971.54**

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 15. Equity Share Capital

₹ in Lakhs

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised				
Equity Shares of ₹ 10 each	23,20,00,000	23,200.00	23,20,00,000	23,200.00
(b) Issued, subscribed and fully paid-up				
Equity Shares of ₹ 10 each	23,02,51,187	23,025.12	23,02,51,187	23,025.12
Total	**23,02,51,187**	**23,025.12**	**23,02,51,187**	**23,025.12**

(c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting Year:

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Share outstanding at the beginning of the Year	23,02,51,187	23,025.12	23,02,51,187	23,025.12
Add: Shares issued during the Year	-	-	-	-
Share outstanding at the end of the Year	**23,02,51,187**	**23,025.12**	**23,02,51,187**	**23,025.12**

(d) Rights, preferences and restrictions attached to Equity Shares :

Each equity shareholder is entitled to one vote per share. In the event of Liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders. Refer Note No. 17 (ii) for restrictions attached to equity shares.

(e) Equity Shares held by Holding Company

Name of the Shareholder	As at 31 March, 2018	As at 31 March, 2017
	No. of Shares	No. of Shares
Tata Steel Limited	21,39,86,703	4,36,00,825
JL Power Ventures Private Limited	-	17,03,85,878

(f) Equity shareholders holding more than 5% of equity shares along with the number of equity shares held is as given below:

Name of the Shareholder	As at 31 March, 2018		As at 31 March, 2017	
	No. of Shares	%	No. of Shares	%
JL Power Ventures Private Limited, the Holding Company			17,03,85,878	74.00%
Tata Steel Limited, the Holding Company	21,39,86,703	92.94%	4,36,00,825	18.94%
T S Alloys Limited	1,62,64,484	7.06%	1,62,64,484	7.06%
Total	**23,02,51,187**	**100.00%**	**23,02,51,187**	**100.00%**

Note 16. Other Equity

₹ in Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Retained Earnings	(10,166.25)	(2,865.60)
Total	**(10,166.25)**	**(2,865.60)**

Retained earnings

Particulars	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Balance at the beginning of the year	(2,865.60)	(465.58)
Loss attributable to owners of the Company	(7,302.65)	(2,403.72)
Other comprehensive income arising from remeasurement of defined benefit obligation	2.00	3.70
Balance at the end of the year	**(10,166.25)**	**(2,865.60)**

Note 17. Borrowings (Refer notes below)

₹ in Lakhs

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Non-Current	Current *	Non-Current	Current *
Term Loans - Secured (at amortised cost)				
From Financial Institutions	55,643.75	5,756.25	61,400.00	5,756.25
Total	**55,643.75**	**5,756.25**	**61,400.00**	**5,756.25**

* Current Maturities are included in Note No. 22 - Other Financial Liabilities

Notes:

Security Terms:

i) Term loans availed from Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) ("the Lenders") are secured by mortgage and first charge on the immovable properties of the Company including the project site, present & future relating to the project. First charge on all the movable properties & assets, present & future, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures & vehicles and all intangible assets including but not limited to goodwill, trade mark, patent, uncalled capital, present & future, relating to the project and on operating cash flows, all current assets, commissions and any other revenues of whatsoever nature, present & future, relating to the project.

ii) In terms of Common Rupee Term Loan Agreement (CRTLA) dated 27 May, 2011, as amended on 14 January, 2016, 60% of Equity shares of each shareholder is pledged with the Lenders as security.

iii) Long term borrowings are optionally convertible by the Lenders into fully paid up equity shares in the event of default in repayment of loan or interest thereon or any combination thereof to the extent of the amount under default, subject to the limits and terms laid down in CRTLA.

iv) **Payment Terms:** Repayment of the principal amounts of the loans shall be made in 48 quarterly installments begining from 15 January, 2017 for PFC and 31 December, 2016 for REC. The Term Loan from Power Finance Corporation Limited carries interest rate ranging from 12.65% p.a. to 13.25% p.a. and the Term Loan from Rural Electrification Corporation Limited carries interest rate ranging from 12.65% p.a. to 13.25% p.a.

Note 18. Provisions

₹ in Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Employee Benefits	38.27	28.67
Total	**38.27**	**28.67**
Current	15.01	8.84
Non-Current	23.26	19.83
Total	**38.27**	**28.67**

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 19: Income tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

₹ in Lakhs

Statement of profit and loss:	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Deferred tax:		
Relating to origination and reversal of temporary differences	3,609.38	-
Income tax expense reported in the statement of profit or loss	**3,609.38**	**-**

Deferred tax:
Deferred taxes comprise of temporary differences attributable to:

Balance sheet	**As at 31 March 2018**	**As at 31 March 2017**
Accelerated depreciation for tax purposes	(5,321.11)	-
Carried forward unabsorbed depreciation	1,583.00	-
Indexation benefit on freehold land	128.73	-
Net deferred tax assets/(liabilities)	**(3,609.38)**	**-**

Statement of profit and loss	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Accelerated depreciation for tax purposes	(5,321.11)	-
Carried forward unabsorbed depreciation	1,583.00	-
Indexation benefit on freehold land	128.73	-
Deferred tax expense/(income)	3,609.38	-
Net deferred tax assets/(liabilities)	(3,609.38)	-

Reflected in the balance sheet as follows:	**As at 31 March 2018**	**As at 31 March 2017**
Deferred tax assets	1,711.73	-
Deferred tax liabilities	(5,321.11)	-
Deferred tax liabilities, net	(3,609.38)	-

Reconciliation of deferred tax liabilities (net):	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Opening balance as of 1 April	-	-
Tax income/(expense) during the period recognised in profit or loss	3,609.38	-
Tax income/(expense) during the period recognised in OCI	-	-
Closing balance as at 31 March	3,609.38	-

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	**For the year ended 31 March, 2018**	**For the year ended 31 March, 2017**
Loss before income tax	(3,693.27)	(2,403.72)
Income tax rate	34.608%	34.608%
Income tax expense	(1,278.17)	(831.88)
Tax effect on amounts which are not taxable in calculating taxable income:		
Temporary differences arising on account of property, plant and equipment which will reverse during the tax holiday period	5,321.11	831.88
Temporary differences arising on account of freehold land	(128.73)	-
Previously unrecognised tax losses used to reduce deferred tax expense (refer note below)	(304.83)	-
Income tax expense recognised in the statement of profit and loss	**3,609.38**	**-**

Following an amendment to the power purchase agreement entered into by the Company with Tata Steel Limited and T S Alloys Limited, the Company reviewed previously unrecognised tax losses and determined that it was now probable that taxable profits will available against which the tax losses can be utilised. As a result, a deferred tax asset of Rs. 1,583 lakhs (being the amounts of Rs. 1,278.17 lakhs and Rs. 304.83 lakhs in the above reconciliation) was recognised for these losses in the financial year ended 31 March, 2018.

In terms of Indian Accounting Standard 12 (Income Taxes) issued by the Institute of Chartered Accountants of India, the Company has accounted deferred tax liability arising out of timing difference on account of depreciation after netting off deferred tax asset arising on carried forward unabsorbed depreciation and indexation benefit on freehold land.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 20. Borrowings

₹ in Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Secured		
From Banks:		
Cash Credit Facilities	4,313.99	4,279.52
Total	**4,313.99**	**4,279.52**

Security Terms:
Paripassu first charge on all the current assets of the Company including raw materials, consumables, work in progress, finished goods, book debts, operating cash flows, receivables, commissions revenues of whatsoever nature both present and furture, along with Lenders.

Paripassu first charge on all the movable properties and assets, present and future, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures and vehicles and all intangible asets including but not limited to good will, trademark, patent, uncalled capital, present & future, relating to the Company along with Lenders.

Paripassu First Charge by way of mortgage of Company's immovable properties including Project Site, both present and future relating to the Company along with Lenders.

Note 21. Trade Payables

₹ in Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Trade Payables	2,796.83	1,825.86
Total	**2,796.83**	**1,825.86**

The average credit period on purchase of goods range from 1 days to 30 days. Refer Note No. 31 for total outstanding dues of Micro enterprises and Small enterprises.

Note 22. Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Current Maturities of Long-Term Borrowings (Refer **Note No.17**)	5,756.25	5,756.25
Interest Accrued but not due on Borrowings	1,108.30	1,225.78
Interest Accrued and due on Borrowings	-	-
Retention Money Payable	1,558.81	2,584.58
Payables on Purchase of Property, Plant and Equipment	720.90	948.42
Total	**9,144.26**	**10,515.03**

Note 23. Other Current Liabilities

₹ in Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Statutory Remittances	59.92	55.47
Advance received from a Customer	7,635.53	209.55
Total	**7,695.45**	**265.02**

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 24. Revenue from Operations **₹ in Lakhs**

Particulars	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Sale of Energy	41,315.45	30,501.93
Total	**41,315.45**	**30,501.93**

Note 25. Other Income **₹ in Lakhs**

Particulars	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Interest on Fixed Deposits at amortised cost	47.79	47.78
Miscellaneouse Income	32.76	64.60
Less: Transferred to Capital Work in Progress	-	(29.63)
Total	**80.55**	**82.75**

Note 26. Employee Benefits Expense **₹ in Lakhs**

Particulars	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Salaries and Other Benefits	635.92	691.29
Contribution to Provident and Other Funds	21.29	22.71
Gratuity Expenses	6.35	6.91
Staff Welfare Expenses	15.55	30.97
Total	**679.11**	**751.88**

Note 27. Finance Costs **₹ in Lakhs**

Particulars	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Interest Expense on;		
- Term Loans	8,386.85	9,167.45
- Cash Credit Facilities	450.96	334.14
Other Borrowing Costs	153.13	66.22
Total	**8,990.94**	**9,567.81**

Bhubaneshwar Power Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2018

Note 28. Depreciation and Amortization Expense **₹ in Lakhs**

Particulars	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Depreciation of Property, Plant and Equipment	5,033.34	4,192.66
Amortisation of Intangible Assets	0.60	0.72
Total	**5,033.94**	**4,193.38**

Note 29. Other Expenses **₹ in Lakhs**

Particulars	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Power and Fuel	25.65	46.22
Water Charges	508.74	158.24
Transmission Charges	1,054.42	748.14
Operation & Maintenance Charges	1,375.20	1,186.41
Operating Lease Payments	12.34	12.34
Consumption of Stores and Spares	271.88	261.90
Rent	71.89	70.50
Repairs and Maintenance	26.08	47.58
Insurance	149.67	124.25
Rates and Taxes	79.14	49.60
Communication Expenses	3.88	6.43
Travelling Expenditure	59.20	94.93
Auditors' Remuneration		
- Statutory Audit	1.95	9.81
- Other Services	1.55	0.58
- Reimbursements	0.11	0.67
Advertisement Expenses	0.85	0.80
Security Expenses	131.95	134.44
Directors' Sitting Fees	6.58	6.55
Consultancy Charges	163.48	237.53
Printing and Stationery	3.96	5.63
Loss on Sale of Property, Plant and Equipment	3.76	0.64
Miscellaneous Expenses	55.69	57.83
Total	**4,007.97**	**3,261.02**

30. Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances ₹ 42.47 Lakhs (31 March 2017: ₹ Nil).

31. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts not paid as at the end of the year together with the interest paid/payable as required on the said amount have not been given.

32. Operating Lease:

The Company has entered into certain operating lease agreements and an amount of ₹ 71.89 lakhs (2016-17: ₹ 70.50 lakhs) paid under such agreements has been charged to the Statement of Profit and Loss. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.

33. Employee benefit plans:

33.1 Defined Contribution Plan

The Company has recognised in the Statement of Profit and Loss under the head Employee Benefits Expense an amount of ₹ 21.29 lakh (Refer Note 26) in expenses for the year ended 31 March, 2018 (31 March, 2017: ₹ 22.71 lakh) towards defined contribution plans.

33.2 Defined Benefit Plans

The Company provided the following employee benefits

Plan	Funding Status
Gratuity	Funded by "New Group Gratuity Cash Accumulation Plan" with LIC
Compensated absence	Non Funded

Gratuity Plan

	For the year ended	
Reconciliation of opening and closing balances of obligation	**31 March 2018 (₹ in lakh)**	**31 March 2017 (₹ in lakh)**
Opening defined benefit obligation	26.56	32.08
Current service cost	6.39	5.61
Interest cost	2.10	2.57
Actuarial (gains) / losses	(2.64)	(3.70)
Benefits paid	(0.61)	(10.00)
Closing defined benefit obligation	31.80	26.56

	For the year ended	
Change in Plan Assets (Reconciliation of opening & closing balances)	**31 March 2018 (₹ in lakh)**	**31 March 2017 (₹ in lakh)**
Opening fair value of plan assets	26.64	30.87
Interest income	2.13	-
Contributions from the employer	0.61	3.61
Benefits paid	(0.61)	(10.00)
Return on plan assets (greater) / less than discount rate	(0.64)	2.16
Closing fair value of plan assets	28.13	26.64

Reconciliation of fair value of assets and obligations	**As at 31 March 2018 (₹ in lakh)**	**As at 31 March 2017 (₹ in lakh)**
Present value of funded defined benefit obligation	31.80	26.56
Fair value of plan assets	28.13	(26.64)
Amount recognised in balance sheet	3.67	(0.08)

	For the year ended	
Expense recognized in the year	**31 March 2018 (₹ in lakh)**	**31 March 2017 (₹ in lakh)**
Current service cost	6.39	5.61
Net interest expense	(0.03)	2.57
Return on plan assets (greater)/less than discount rate	0.00	(2.16)
Premium Expenses	0.00	0.89
Components of defined benefit costs recognised in Statement of Profit and Loss	4.36	6.91
Actuarial (gains) / losses	(2.00)	(3.70)
Components of defined benefit costs recognised in other comprehensive income	(2.00)	(3.70)

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	**For the year ended**	
	31 March 2018 (₹ in lakh)	**31 March 2017 (₹ in lakh)**
Discount rate(s)	8.00%	8.00%
Expected rate(s) of return on plan assets	0.00%	0.00%
Rate of escalation in salary (per annum)	4.00%	4.00%
Attrition rate	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	
Sensitivity analysis	**For the year ended**	

	31 March 2018 (₹ in lakh)	31 March 2017 (₹ in lakh)
Discount rate + 100 basis points	30.11	24.42
Discount rate - 100 basis points	33.74	29.08
Salary increase rate + 100 basis points	34.02	28.06
Salary increase rate - 100 basis points	29.83	24.90
Attrition rate + 1%	32.26	24.42
Attrition rate - 1%	31.26	29.08

33.3 Compensated Absences

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at year end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions, as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended	
	31 March 2018 (₹ in lakh)	31 March 2017 (₹ in lakh)
Discount rate(s)	8.00%	8.00%
Expected rate(s) of return on plan assets	0.00%	0.00%
Rate of escalation in salary (per annum)	4.00%	4.00%
Attrition rate	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	

34. Related party disclosures:

34.1 Name of the related parties and relationships:

Name of the Related Parties	**Description of relationship**
Jasper Industries Private Limited	Ultimate Holding Company (upto 31 January 2018)
JL Power Ventures Private Limited	Holding Company (upto 31 January 2018)
Tata Steel Limited	Ultimate Holding Company (w.e.f., from 01 February 2018) Joint Venturer (upto 31 January 2018)
TS Alloys Limited	Associate (w.e.f., from 01 February 2018) Joint Venturer (upto 31 January 2018)
Key Managerial Personnel	
Sharad Kumar	Managing Director (w.e.f., from 01 February 2018)
D V Satyanarayana	Managing Director (upto 30 June 2016)
Avneesh Gupta	Chairman (w.e.f., from 01 February 2018)
Rajesh Singh	CFO (w.e.f., from 1 February 2018)
N H Italia	Director (upto 31 January 2018)
Sumanth Badiga	Director (upto 31 January 2018)
Vuppala Satyanarayana Murty	Director
Roopendra Narayan Roy	Director (w.e.f., from 01 February 2018)
Srikant Kumar Pati	Director
Ramya Hariharan	Director (w.e.f., from 01 February 2018)
Hemant Kumar Das	Nominee Director (Power Finance Corporation Limited)
Bubhu Dutta Nanda	Director (w.e.f., from 01 February 2018)
Srikanth Adalat	Company Secretary
Relatives of Key Managerial Personnel	
B. Ramakrishna	Advisor (upto 31 January 2018)

34.2 Transactions during the Year:

₹ in Lakhs

Particulars	**For the Year ended**	
	31 March, 2018	**31 March, 2017**
Sale of Energy		
- Tata Steel Limited	31,236.97	25,856.09
- TS Alloys Limited	10,059.62	9,111.43
- Tata Power Trading Co. Ltd	18.86	114.64
Sale of Spares		
- TS Alloys Limited	0.69	-

Particulars	**For the Year ended**	
	31 March, 2018	**31 March, 2017**
Advance Received from Customers		
- Tata Steel Limited	7100.55	209.55
- TS Alloys Limited	700.00	-
Reimbursements of expenses:		
- TS Alloys Limited	16.73	4.47
Payments to Key Managerial Personnel & their Relatives		
Remuneration		
D V Satyanarayana (upto 30 June 2016)	-	43.16
Consultancy Charges		
Tata Steel Limited	35.08	-
N.H. Italia	17.57 (Up to 31st January'18)	20.69
Sumanth Badiga	55.62 (Up to 31st January'18)	65.50
B. Ramakrishna	1.11 (Up to 31st January'18)	1.31

34.3 Balances outstanding at the end of the Year:

₹ in Lakhs

Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**
Trade Receivables		
Tata Steel Limited		2,220.84
TS Alloys Limited		816.52
Tata Power Trading Company Limited	18.86	0.14
Unbilled Revenue		
Tata Steel Limited	3,179.82	
TS Alloys Limited	1,012.48	
Advance Received From Customers		
Tata Steel Limited	6916.37	209.55
TS Alloys Limited	719.16	-
Receivable towards reimbursement of expenses		
TS Alloys Limited	0.69	4.47

35 Loss per share:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Loss for the Year (₹ in lakhs)	(7,302.65)	(2,403.72)
Weighted average no. of equity shares of ₹ 10/- each	230,251,187	230,251,187
Nominal value per share (in ₹)	10	10
Loss per equity share : (Basic and Diluted) (in ₹)	(3.17)	(1.04)

36 Operating Segment:

The Company comprises of only one reportable segment – the business of generating, distributing and supplying of power by setting up thermal power plant.

The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

37 Financial Instruments

37.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the Debt and Equity balance.

The capital structure of the Company comprises of net debt (borrowings reduced by cash and bank balances) and equity.

The Company is not subject to any externally imposed capital requirements.

37.2 Gearing Ratio

The gearing ratio at the end of the reporting period was as follows.

₹ in Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Debt (₹ in lakhs)	65,713.99	71,435.77
Cash and Bank Balances (₹ in lakhs)	(393.44)	(367.24)
Net Debt (₹ in lakhs)	**65,320.56**	**71,068.53**
Total Equity (Share Capital + Reserves) (₹ in lakhs)	12,858.87	20,159.52
Net Debt to equity ratio	**507.98%**	**352.53%**

37.3 Categories of Financial Instruments

₹ in Lakhs

Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**
Financial Assets		
Current		
Trade Receivables	18.86	3,037.49
Unbilled Revenue	4,192.30	
Cash and Cash Equivalents	116.56	127.26
Other Balances with Banks	276.88	239.98
Other Financial Assets	30.94	228.10

₹ in Lakhs

Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**
Financial Liabilities		
Non Current		
Borrowings	55,643.75	61,400.00
Current		
Borrowings	4,313.99	4,279.52
Trade Payables	2,796.83	1,825.86
Other Financial Liabilities	9,144.26	10,515.03

37.4 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non derivative instruments at the end of the reporting period, as the Company does not transact in any derivative instruments. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's:

a) Loss for the year ended 31 March, 2018 would increase / decrease by ₹ 341.45 lakhs (for the year ended 31 March, 2017: increase / decrease by ₹ 296.70 lakhs). This is mainly attributable to Company's exposure to interest rates on its variable rate borrowings; and

b) There being no debt instrument passing through FVTOCI, there would not be any impact of such change in interest rate, on OCI.

37.5 Financing facilities

₹ in Lakhs

Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**
Secured bank Cash Credit facility:		
Amount used	4,313.99	4,279.52
Amount unused	286.01	320.48
Total	**4,600.00**	**4,600.00**

37.6 Fair value measurements

Fair value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosures are required)

₹ in Lakhs

Particulars	**Category**	**As at 31 March 2018**		**As at 31 March 2017**	
		Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets					
Financial Assets at amortised cost:					
Trade Receivables	Level-2	18.86	18.86	3,037.49	3,037.49
Unbilled Revenue	Level-2	4,192.30	4,192.30	-	-
Cash and Cash Equivalents	Level-2	116.56	116.56	127.26	127.26
Other Balances with Banks	Level-2	276.87	276.87	239.98	239.98
Other Financial Assets	Level-2	30.94	30.94	228.10	228.10

₹ in Lakhs

Particulars	**Category**	**As at 31 March 2018**		**As at 31 March 2017**	
		Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Liabilities					
Financial Liabilities at amortised cost:					
Borrowings	Level-2	65,713.99	65,713.99	71,435.77	71,435.77
Trade Payables	Level-2	2,796.83	2,796.83	1,825.86	1,825.86
Other Financial Liabilities	Level-2	3,388.00	3,388.00	4,758.78	4,758.78

38) Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018. There are no standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in this financial statements.

i) Ind AS 115- Revenue from Contracts with customers

Ind AS 115, is effective for periods beginning on or after 1 April 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is transferred to the customer. The core principle in that framework is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the company expects to be entitled in exchange for those goods or services.

The Company will adopt the standard on 1 April 2018 and the management is in the process of determining the effect on adoption of Ind AS 115.

ii) Ind AS 21- The Effect of changes in Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The Company will adopt the standard on 1 April 2018 and the management is in the process of determining the effect on adoption of Ind AS 21.

iii) Ind AS 12 - Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the assets tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

- The estimate of future taxable profit may include the recovery of some an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

The Company will adopt the standard on 1 April 2018 and the management is in the process of determining the effect on adoption of Ind AS 12.

39 Corporate social responsibility

During the year, as per the Companies Act, 2013, Gross amount required to be spent by the Company during the year is ₹ Nil (31 March, 2017: ₹ Nil)

40 The Company commenced its commercial production from 1 June 2016 and in view of this, the figures for the current year are strictly not comparable with those of the previous year.

41 Approval of Financial Statements:

The Financial Statements were approved for issue by the Board of Directors on 15 May, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Bhubaneswar
Date: 15 May 2018

For and on behalf of the Board of Directors

Sharad Kumar
Managing Director

B D Nanda
Director

Rajesh Singh
Chief Financial Officer

Srikanth Adalat
Company Secretary