KSK Dibbin Hydro Power Private Limited
Balance Sheet as at 31 March 2018
(All amounts are in ₹ Thousands, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	4	15,247.70	17,173.25
(b) Capital work-in-progress	4	1,012,705.05	986,417.37
(c) Financial Assets			
(i) Loans	5	9,519.03	8,543.12
(ii) Other financial assets	6	709.20	-
(d) Other non-current assets	7	45,978.51	46,963.24
		1,084,159.49	**1,059,096.98**
2 Current assets			
(a) Financial Assets			
(i) Current investments	8	213,975.40	219,444.16
(ii) Cash and cash equivalents	9	899.39	753.16
(iii) Bank balances other than (ii) above	10	21.10	1,774.47
(iv) Other financial assets	6	0.30	118.39
(b) Other current assets	7	90.88	670.35
		214,987.08	**222,760.54**
Total		**1,299,146.56**	**1,281,857.51**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	11	931,100.00	931,100.00
(b) Other Equity	11	143,263.04	136,612.52
		1,074,363.04	**1,067,712.52**
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	75,498.37	65,650.75
(ii) Provisions	13	658.59	-
		76,156.95	**65,650.75**
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	2,850.00	3,600.00
(ii) Trade payables	14	5,112.56	4,165.77
(iii) Other financial liabilities	15	140,434.20	140,387.59
(b) Other current liabilities	16	229.82	340.87
		148,626.57	**148,494.23**
Total		**1,299,146.56**	**1,281,857.51**

See accompanying notes to the financial statements
This is the Balance Sheet referred to in our report of even date

for T R Chadha & Co LLP,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Pravin Jabade
Partner
Membership No. 107196

M Balakrishnan
Managing Director
DIN: 07129848

Tanmay Das
Director
DIN: 00680042

Place : Hyderabad
Date : 20 June 2018

B Uday Kiran
Chief Financial Offier

Shreya Mitra
Company Secretary

KSK Dibbin Hydro Power Private Limited
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts are in ₹ Thousands, unless otherwise stated)

	Particulars	Notes	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
I	Other Income	17	11,001.65	11,663.20
	Total revenue		**11,001.65**	**11,663.20**
II	**Expenses**			
	Other expenses	18	1,389.15	126.60
	Finance cost	19	975.91	863.64
	Depreciation & amortization expense	4	1,925.55	2,298.31
	Total expenses		**4,290.60**	**3,288.55**
III	**Profit before tax (I - II)**		**6,711.04**	**8,374.66**
IV	**Tax expense/(income)**			
	Current tax			
	In respect of earlier years		60.53	-
	Total tax expenses / (income)		**60.53**	**-**
V	Total Comprehensive Income for the period (III-IV)		**6,650.51**	**8,374.66**
VI	**Earnings / (loss) per share**			
	Basic - face value of ₹ 10 per share	23	0.00	0.00
	Diluted - face value of ₹ 10 per share		0.00	0.00

See accompanying notes to the financial statements

for T R Chadha & Co LLP,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Pravin Jabade
Partner
Membership No. 107196

M Balakrishnan
Managing Director
DIN: 07129848

Tanmay Das
Director
DIN: 00680042

Place : Hyderabad
Date : 20 June 2018

B Uday Kiran
Chief Financial Offier

Shreya Mitra
Company Secretary

KSK Dibbin Hydro Power Private Limited
Cash Flow Statement for the year ended 31 March 2018
(All amounts are in ₹ Thousands, unless otherwise stated)

	Note	31-Mar-18	31-Mar-17
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		6,711.04	8,374.66
Adjustments for:			
Depreciation and amortisation expenses		1,925.55	2,298.31
Interest income		(44.49)	(132.52)
Dividend income		(9,981.24)	(10,667.05)
Operating profit before working capital changes		(1,389.15)	(126.60)
Adjustments for:			
Loans and advances		579.47	(0.73)
Trade payables		946.79	318.57
Other liabilities and provisions		1,378.84	1,408.50
Cash generated from operations		1,515.95	1,599.74
Direct taxes		(51.72)	(13.12)
Net cash from operating activities		**1,464.24**	**1,586.62**
CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase)/sale of fixed assets including capital work-in-progress		(17,220.33)	(15,375.79)
(Investment)/redemption of bank deposit		1,078.56	(126.25)
Purchase of investments		5,468.76	(667.05)
Dividend received		9,981.24	10,667.05
Interest received		128.20	139.47
Net cash used in investing activities		**(563.58)**	**(5,362.58)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of finance cost		(4.43)	(5.16)
Proceeds (repayment of)/from short term borrowing (net)		(750.00)	800.00
Net cash (used in)/from financing activities		**(754.43)**	**794.84**
Net increase/(decrease) in cash and cash equivalents		**146.23**	**(2,981.13)**
Cash and cash equivalent - opening balance	9	753.16	3,734.29
Cash and cash equivalent - closing balance	9	**899.39**	**753.16**

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

for T R Chadha & Co LLP,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Pravin Jabade
Partner
Membership No. 107196

M Balakrishnan
Managing Director
DIN: 07129848

Tanmay Das
Director
DIN: 00680042

Place : Hyderabad
Date : 20 June 2018

B Uday Kiran
Chief Financial Offier

Shreya Mitra
Company Secretary

KSK Dibbin Hydro Power Private Limited
Statement of Changes in Equity for the year ended 31 March 2018
(All amounts are in ₹ Thousands, unless otherwise stated)

11 A. Equity Share Capital

Particulars	No of Shares	Amount
Balance as at 1April 2016	93,110,000	931,100
Changes in equity share capital during the year	-	
Balance as at 31 March 2017	93,110,000	931,100
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	93,110,000	931,100

11 B. Other Equity

	Equity component of compound financial instruments	Reserves and Surplus Retained Earnings	Total
Balance as at 1April 2016	120,358.60	7,879.27	128,237.87
(Loss)/profit for the year	-	8,374.66	8,374.66
Total comprehensive (loss)/profit for the year	120,358.60	16,253.93	136,612.52
Balance as at 31 March 2017	**120,358.60**	**16,253.93**	**136,612.52**
Balance as at 1 April 2017	120,358.60	16,253.93	136,612.52
(Loss)/profit for the year	-	6,650.51	6,650.51
Total comprehensive (loss)/profit for the year	**120,358.60**	**22,904.44**	**143,263.04**
Balance as at 31 March 2018	120,358.60	22,904.44	143,263.04

See accompanying notes to the financial statements

for T R Chadha & Co LLP,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Pravin Jabade
Partner
Membership No. 107196

M Balakrishnan
Managing Director
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Director
DIN: 00680042

Place : Hyderabad
Date : 20 June 2018

B Uday Kiran
Chief Financial Offier

Shreya Mitra
Company Secretary

1 Corporate Information

1.1 KSK Dibbin Hydro Power Private Limited ("KDHPPL" or the "Company"), is a Private Limited Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at Jubilee Hills, Hyderabad - 500 033. Telangana.
The financial statements were authorised for issue by the Board of Directors on 20 June 2018.

1.2 Nature of operations

The Company was incorporated on April 9, 2007 for setting up a 120 MW Hydel based Power Plant in Tehsil Nafra, West Kameng District in the State of Arunachal Pradesh.

1.3 Financial period

The financial statements cover the period from 1 April 2017 to 31 March 2018, with comparative figures from 1 April 2016 to 31 March 2017.

1.4 Basis of preparation

The Company has received a show cause notice during the year from Government of Arunachal Pradesh with regard to termination of agreement by invocation of clause 12.1 of Memorandum of Agreement. In reply, the Company has explained the reasons for delay are beyond its control despite the best efforts. It was also appraised by the Company that while the construction activities are fulfilled, the viability aspect of the project needs due consideration and appealed for relief in terms of financial grant or take over by the Government of Arunachal Pradesh as highlighted in various forums periodically.

Further, based on North Eastern Electric Power Corporation Limited (NEEPCO) communication/letter to the Government of Arunachal Pradesh about their interest to execute the project, the Board has decided that the process of handing over needs to be expedited in consultation with Govt., of Arunachal Pradesh. The Company has requested that the process of transfer can be mutually settled between NEEPCO and KSK.

Based on the discussion and various communications held with NEEPCO, the company is confident that it will recover the entire project related expenditure as appearing in the financial statement as on 31.03.2018 from NEEPCO and accordingly, these financial statements are prepared on going concern basis and no adjustments has been made in the carrying value of the project related assets.

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies Act (Indian Accounting Standards) Rules, 2015. These financial statements of the Company have been prepared on the historical cost convention and on an accrual basis, except for the following:
- Financial instruments that are designated as being at fair value through profit or loss account or through other comprehensive income upon initial recognition are measured at fair value;
- Net employee defined benefit (asset) / liability that is measured based on actuarial valuation.

2 Significant Accounting Policies

2.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenditures that are directly attributable to property plant and equipment such as employee cost, borrowing costs for long-term construction projects etc., if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred.

The present value of the expected costs of decommissioning of the asset after its use is included in the costs of the respective asset, if the recognition criteria for provision are met.

Depreciation is computed based on the useful life of the assets as prescribed under Section 123 of the Companies Act, 2013 read with schedule II of the Companies Act 2013. Depreciation is calculated using straight line method. Depreciation is calculated on a pro-rata basis from the date of installation / capitalization till the date the assets are sold or disposed. Assets costing up to ₹ 10,000 are fully depreciated in the year of capitalization /acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

2.2 Intangible assets

Intangible assets acquired are separately measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Nature of asset	Useful life (years)
Software	3

2.3 **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

Interest and dividend income : Revenue from interest is recognised on an accrual basis (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

2.4 **Taxes**

Current income tax : Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income tax: Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit;

In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities, relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.5 **Financial assets**

Initial recognition

Financial assets within the scope of IND AS 109 are classified as:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. Financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company’s financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables and quoted and unquoted financial assets.

Subsequent measurement

The subsequent measurement of financial assets is dependent on their classification and it is as follows:

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For the equity instruments Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired; or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.6 Financial liabilities

Initial recognition

Financial liabilities within the scope of IND AS 109 are classified as
- Fair value through profit or loss
- Other financial liability at amortised cost

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts and other financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if criteria of IND AS 109 are satisfied.

Loans and borrowings at amortised cost

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss / capitalised to property plant & equipment when the liabilities are derecognised as well as through the amortisation process.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.7 **Fair value measurement**

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

2.80 **Leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss / capitalised to property, plant & equipment on accrual basis.

2.81 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

All other borrowing costs including transaction costs are recognised in the statement of profit and loss in the year in which they are incurred, the amount being determined using the effective interest rate method.

2.82 **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.83 **Cash and short-term deposits**

Cash and short-term deposits in the Balance Sheet comprise cash at banks and on hand and short-term deposits.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and readily convertible short-term deposits, net of restricted cash and outstanding bank overdrafts.

2.84 **Earnings per share**

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise the net profit or loss for the period attributable to equity holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders (after adjusting for effects of all dilutive potential equity shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into equity shares.

2.85 **Provisions**

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

2.86 **Employee benefits**

Gratuity

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

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by Life Insurance Corporation of India, a Government of India undertaking which is a qualified insurer.

The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability, respectively in accordance with IND AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are are charged to the expenditure during construction period pending allocation.

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary and the employer contribution is charged to statement of profit and loss. The benefits are contributed to the government administered provident fund, which is paid directly to the concerned employee by the fund. The Company has no further obligation to the plan beyond its monthly contributions.

Employee State Insurance Scheme

In addition, some employees of the Company are covered under “Employees State Insurance Scheme Act 1948”, which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in statement of profit and loss or capitalise to Property, plant and equipment as the case may be during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

Short- term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IND AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies required the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements.

The policies where significant estimates and judgments have been made are as follows:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of fair value of acquired financial assets and financial liabilities: When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes: Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.

Gratuity benefits: The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actual results can differ from estimates.

Judgement

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

Useful lives of depreciable assets: Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. The carrying amounts are analysed in note No.4. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

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Notes to financial statements
(All amounts are in ₹ Thousands, unless otherwise stated)

4 Property, plant and equipment

	Buildings	Plant & Equipment	Furntiure & fixtures	Vehicles	Office equipment & Computers	Total	Capital work in progress
Deemed cost							
As at 1 April 2016	415.40	19,878.33	534.09	117.32	1,186.13	22,131.26	954,582.18
Additions	-	-	-	-	-	-	31,835.20
Disposals/transfers	-	-	-	-	-	-	
As at 31 March 2017	**415.40**	**19,878.33**	**534.09**	**117.32**	**1,186.13**	**22,131.26**	**986,417.37**
As at 1 April 2017	415.40	19,878.33	534.09	117.32	1,186.13	22,131.26	986,417.37
Additions	-	-	-	-	-	-	26,287.68
Disposals/transfers	-	-	-	-	-	-	-
As at 31 March 2018	**415.40**	**19,878.33**	**534.09**	**117.32**	**1,186.13**	**22,131.26**	**1,012,705.05**
Depreciation							
As at 1 April 2016	14.97	1,783.64	87.82	117.32	655.96	2,659.71	-
Additions	14.93	1,778.77	93.16		411.45	2,298.31	-
Disposals/transfers	-	-	-	-	-	-	-
As at 31 March 2017	**29.90**	**3,562.41**	**180.99**	**117.32**	**1,067.40**	**4,958.02**	**-**
As at 1 April 2017	29.90	3,562.41	180.99	117.32	1,067.40	4,958.02	-
Additions	14.93	1,778.77	93.63	-	38.22	1,925.55	-
Disposals/transfers	-	-	-	-	-	-	-
As at 31 March 2018	**44.83**	**5,341.18**	**274.61**	**117.32**	**1,105.62**	**6,883.56**	**-**
Net book value							
As at 31 March 2017	385.50	16,315.92	353.10	(0.00)	118.73	17,173.25	986,417.37
As at 31 March 2018	370.57	14,537.15	259.47	(0.00)	80.51	15,247.70	1,012,705.05

5 Loans

	As at 31 Mar 2018	As at 31 Mar 2017
Long-term loans		
Unsecured, considered good		
Security Deposits	9,519.03	8,543.12
	9,519.03	**8,543.12**

6 Other financial assets

	As at 31 Mar 2018	As at 31 Mar 2017
Non-current		
Deposits with banks	674.81	-
Interest accrued on deposits	34.39	-
	709.20	**-**
Current		
Interest accrued on deposits	0.30	118.39
	0.30	**118.39**
	709.50	**118.39**

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Notes to financial statements
(All amounts are in ₹ Thousands, unless otherwise stated)

7 **Other assets**

	As at 31 Mar 2018	As at 31 Mar 2017
Other non-current assets		
Capital Advances	42,165.69	42,165.69
Prepaid expenses	3,757.07	4,732.98
Advance tax (n*et of provision for tax*)	55.75	64.57
	45,978.51	**46,963.24**
Other current assets		
Advance for goods/services	75.31	115.70
Balances with statutory authorities	15.57	-
Prepaid expenses	-	554.65
	90.88	**670.35**
	46,069.39	**47,633.59**

8 **Current investments**

	As at 31 Mar 2018	As at 31 Mar 2017
(quoted, fully paid up)		
Investments in Mutual Funds		
IDFC Mutual funds		
21,150,083.923 units of ₹ 10.1170; (31 Mar 2017: 21,703,292.237 units of ₹ 10.1111 each)	213,975.40	219,444.16
	213,975.40	**219,444.16**

9 **Cash and cash equivalents**

	As at 31 Mar 2018	As at 31 Mar 2017
Balances with banks		
On current account	880.27	713.77
Cash on hand	19.12	39.40
	899.39	**753.16**

10 **Other bank balances**

	As at 31 Mar 2018	As at 31 Mar 2017
Deposits with banks	21.10	1,774.47
	21.10	**1,774.47**

The Company has pledged its deposits with banks amounting to ₹ 21.10 (31 March 2017: ₹ 1,774.47) in order to fulfill collateral requirements.

11 **Share Capital**

	As at 31 Mar 2018	As at 31 Mar 2017
Authorized:		
94,000,000 (31 Mar 2017: 94,000,000) equity shares of ₹ 10 each	940,000.00	940,000.00
	940,000.00	**940,000.00**
Issued, subscribed and paid up:		
93,110,000 (31 Mar 2017 : 93,110,000) equity shares of ₹ 10 each fully paid-up	931,100.00	931,100.00
	931,100.00	**931,100.00**

Notes:

(a) **Reconciliation of number of shares outstanding**

Outsanding at the beginning of the year	93,110,000	93,110,000
Issued during the year	-	-
Outstanding at the end of the year	93,110,000	93,110,000

(b) **Details of more than 5% shareholding**

Name of the shareholder	As at 31 Mar 2018	As at 31 Mar 2017
Fully paid up shares		
KSK Energy Ventures Limited		
Number of shares held	65,180,000	65,180,000
Percentage of shareholding	70.00	70.00
North Eastern Electric Power Corporation Limited		
Number of shares held	27,930,000	27,930,000
Percentage of shareholding	30.00	30.00
Total percentage of holding	**100.00**	**100.00**

12 **Borrowings**

	As at 31 Mar 2018	As at 31 Mar 2017
Long-term borrowings		
Unsecured		
Bonds/Debentures		
Debentures (*Refer note below)*	75,498.37	65,650.75
	75,498.37	**65,650.75**
Short-term borrowings		
Unsecured		
Loans and advances from related parties	2,850.00	3,600.00
	2,850.00	**3,600.00**
	78,348.37	**69,250.75**

Note :

The company has issued 15,460,000 optionally convertible redeemable debentures of ₹ 10 each to KSK Electricity Financing India Private Limited and 1,540,000 optionally convertible redeemable debentures of ₹ 10 each to KSK Energy Ventures Limited . These debentures carrying a coupon rate of 0.01% per annum are redeemable at the end of 10th year from the date of allotment.

13 **Provisions**

	As at 31 Mar 2018	As at 31 Mar 2017
Long-term provisions		
For employee benefits	658.59	-
(Refer note below)	**658.59**	**-**

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Notes to financial statements
(All amounts are in ₹ Thousands, unless otherwise stated)

Note :

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.

The following table sets out the status of the gratuity plan as required under IND AS 19

A. **Net Benefit asset/(liability)**

	As at 31 Mar 2018	As at 31 Mar 2017
Defined benefit obligation	1,508.68	251.48
Fair value of plan assets	(850.10)	(806.13)
Benefit liability	658.59	(554.65)

B **Changes in the present value of the defined benefit obligation are as follows**

	As at 31 Mar 2018	As at 31 Mar 2017
Defined benefit obligation as at the beginning of the year	251.48	237.48
Included in income statement		
Current service cost	223.32	133.98
Past Service Cost - vested benefits	166.28	-
Interest cost	18.72	18.51
	408.32	152.49
Included in other comprehensive income		
Remeasurement (or acturial) (gain)/loss arising from		
- Change in financial assumption	(63.67)	22.09
- Experience variance (i.e. Actual experience vs assumptions)	912.55	(76.69)
	848.88	(54.60)
Others		
Benefits paid	-	(83.89)
	-	(83.89)
Defined benefit obligation as at the end of the year	**1,508.68**	**251.48**

C. **Changes in the fair value of plan assets are as follows**

	As at 31 Mar 2018	As at 31 Mar 2017
Fair Value of Plan Assets		
Fair value of plan assets beginning of the period	806.13	823.36
Included in income statement		
Interest income	60.01	64.18
	60.01	64.18
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included	(11.72)	(7.57)
	(11.72)	(7.57)
Others		
Contributions	(4.33)	10.04
Benefits Paid	-	(83.89)
	(4.33)	(73.84)
Fair value of plan assets end of the period	**850.10**	**806.13**

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Net defined benefit liability (asset)

	As at 31 Mar 2018	As at 31 Mar 2017
Balance	(554.65)	(585.88)
Included in income statement		
Current service cost	223.32	133.98
Past Service Cost - vested benefits	166.28	-
Interest cost / (income)	(41.29)	(45.67)
	348.31	88.31
Remeasurement loss / (gain)		
Change in financial assumptions	(63.67)	22.09
Actuarial losses/(gains) on obligation	11.72	7.57
Experience variance (i.e. Actual experience vs assumptions)	912.55	(76.69)
	860.60	(47.03)
Others		
Contributions by employer	4.33	(10.04)
	4.33	(10.04)
Defined benefit obligation as at the end of the year	658.58	(554.65)

Experience history

	Year ended	
	31 Mar 2018	**31 Mar 2017**
Defined benefit obligation	1,508.68	251.48
Fair value of plan assets	850.10	806.13
Net defined benefit obligation/(asset)	658.58	(555.45)
Experience adjustments		
- on plan liabilities	848.88	(54.60)
- on plan assets	(11.72)	(7.57)

Asset information

Category of Assets	As at	
	31 Mar 2018	**31 Mar 2017**
Insurer managed funds	100%	100%

The principal assumptions used in determining the obligation towards the Group's plan as shown below:

	As at 31 Mar 2018	As at 31 Mar 2017
Discount rate	7.80%	7.45%
Rate of increase in compensation levels	10.00%	10.00%

Sensitivity analysis

	As at 31 Mar 2018		As at 31 Mar 2017	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1% movement)	196.97	(153.94)	76.60	(57.84)
Salary Growth Rate (- / + 1% movement)	(150.43)	121.17	(57.13)	73.80
Attrition rate (- / + 50%)	39.67	(38.05)	52.67	(46.86)
Mortality Rate (- / + 10%)	0.89	(0.89)	0.42	(0.42)

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

Expected rate of return on plan assets: 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.

14 **Trade payables**

	As at 31 Mar 2018	As at 31 Mar 2017
Dues to other than micro and small enterprises	5,112.56	4,165.77
	5,112.56	**4,165.77**

As at 31 March 2018 (31 Mar 2017 : ₹ Nil) there are no amounts including interest payable to Micro and Small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company.

Trade payable mainly includes amount payable to vendors in whose case credit period allowed is less than 12 months. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

15 **Other Financial Liabilities**

	As at 31 Mar 2018	As at 31 Mar 2017
Interest accrued	50.07	34.77
Creditors for capital goods (*including retention money*)	137,470.41	138,270.41
Salary and bonus payable	2,913.72	2,082.41
	140,434	**140,388**

16 **Other current liabilities:**

	As at 31 Mar 2018	As at 31 Mar 2017
Statutory Liabilities	229.82	340.87
	229.82	**340.87**

	Particulars	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
17	**Other income**		
	Interest Income	44.49	132.52
	Unwinding discount on deposits	975.91	863.64
	Dividend income	9,981.24	10,667.05
		11,001.65	**11,663.20**

Note:
Interest income comprises of interest income of ₹ 44.49 (31 March 2017: ₹ 135.52) on financial assets, which includes interest from fixed deposits with banks, interest on others and on tax refunds.

18	**Other expenses**		
	Remuneration to auditors		
	for audit	82.60	80.50
	Donation / gifts	106.55	46.10
	Miscellaneous expenses	1,200.00	-
		1,389.15	**126.60**
19	**Finance cost**		
	Unwinding discount on deposits	975.91	863.64
		975.91	**863.64**

20 **Tax Reconciliation**

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2018 and 31 March 2017 is as follows:

	31 March 2018	31 March 2017
Accounting Profit Before tax	6,711.04	8,374.66
Enacted tax rates	34.608%	34.608%
Tax on Profit at enacted rates	2,322.56	2,898.30
Expenditure not deductible for tax purpose		
Income not taxable for tax purpose	3,792.05	3,990.54
Income exempted or taxed at lower rates	(6,114.61)	(6,888.84)
Actual tax expense	**-**	**-**

21 **Capital commitments :**

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances as at 31 Mar 2018 : ₹ 499,383.84 (31 Mar 2017 : ₹ 499,383.84)

22 The Company has entered into certain operating lease agreements. During the year, an amount of ₹ 396 (31 Mar 2017 : ₹ 483.60) paid under such agreements has been included in "Rent" under expenditure during construction period, pending allocation. These agreements are cancellable in nature.

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23 **Earnings per share**

Particulars	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Nominal value of equity shares (₹ per share)	10	10
Weighted average number of equity shares outstanding during the year (used for calculation of basic earnings per share)	93,110,000	93,110,000
Weighted average number of equity shares outstanding during the year (used for calculation of diluted earnings per share)	110,110,000	110,110,000
Profit/(loss) after taxes (in ₹)	6,650.51	8,374.66
Earnings per share		
- Basic	0.00	0.00
- Diluted	0.00	0.00

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

24 **Related party disclosures**

a) **Parties where control exists:**

S.No.	Name of the related party	Relationship
1	KSK Energy Ventures Limited	Holding company

b) **Parties where signifcant infuence exists and where the transactions have taken place during the year:**

S.No.	Name of the related party	Relationship
1	KSK Electricity Financing India Private Limited	Fellow subsidiary
2	North Eastern Electric Power Corporation Limited	Enterprises which exercise significant influence

c) **Key management personnel**

S.No.	Name of the related party	Relationship
1	Mr M Balakrishnan	Managing Director
2	Mr Sujit Kumar Datta	Whole time director (*upto 28 Feb 2018*)
3	Mr Sujit Kumar Datta	Non Executive Director (*w.e.f. 1 Mar 2018*)

d) **Particulars of related party transactions during the year and balances outstanding (net):**

	Particulars	**Year ended 31 March 2018**				**Year ended 31 March 2017**			
		Parties where control exists	**Parties where signifcant influence exists**	**Enterprises which exercise significant influence**	**Key Management Personnel**	**Parties where control exists**	**Parties where signifcant influence exists**	**Enterprises which exercise significant influence**	**Key Management Personnel**
(i)	Loans taken/(repaid)	-	(750.00)	-	-	800.00	-	-	-
(ii)	Interest charges	812.15	9,052.46	-	-	704.88	7,858.26	-	-
(iii)	Managerial remuneration	-	-	-	3,172.74	-	-	-	3,201.69
	Balances								
(i)	Amount payable	6,216.07	72,182.37	126,500.00	-	6,204.07	63,081.45	126,500.00	-
(ii)	Managerial remuneration payable	-	-	-	158.13				167.73

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

25 Financial risk managament objectives and policies

The Company's principal financial liabilities, other than derivatives, comprises of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Company also hold investments designated at fair value through profit or loss and debt instrument at amortised cost.

The Company is exposed to credit risk and liquidity risk.

The directors review and agree policies for managing each of these risks which are summarised below:

Credit risk analysis

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The carrying value of financial assets represents the maximum exposure for credit risk. The maximum exposure to credit risk of each class of financial assets at the reporting date was as follows:

	Note	Carrying value	
		31 Mar 18	**31 Mar 17**
Investments - At fair value through profit and loss	8	213,975.40	219,444.16
Short term deposits with banks	10	21.10	1,774.47
Loans	5	9,519.03	8,543.12
Other financial asset	6	709.50	118.39
		224,225.04	**229,880.14**

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company’s management believes that all the above financial assets are not impaired for each of the reporting dates under review and are of good credit quality.

Liquidity risk analysis

The Company’s main source of liquidity is equity and borrowing at present. The treasury department uses regular forecasts of cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The Company manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 90 day projection. Long-term liquidity needs for a 90 day and a 30 day lookout period are identified monthly.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in construction projects for its power plants.

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2018:

	Current	Non-current		
	within 12 months	**1-5 years**	**Later than 5 years**	**Total**
Loan and borrowings	2,850.00	-	170,000.00	172,850.00
Trade and other payables	5,342.38	-	-	5,342.38
Other financial liabilities	140,434.20	-	-	140,434.20
Total	**148,626.57**	**-**	**170,000.00**	**318,626.57**

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

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2017:

	Current	Non-current		
	within 12 months	1-5 years	Later than 5 years	Total
Loan and borrowings	3,600.00	-	170,000.00	173,600.00
Trade and other payables	4,506.64	-	-	4,506.64
Other financial liabilities	140,387.59	-	-	140,387.59
Total	**148,494.23**	**-**	**170,000.00**	**318,494.23**

Capital management

Capital includes equity attributable to the equity holders and debt.

- Ensure Company's ability to meet both its long-term and short-term capital needs as a going concern;
- Constantly evolve multiple funding alternatives – equity and /or preference capital, senior and /or subordinated debt, corporate loan facilities to arrive at an optimal capital mix;
- Periodic review of the existing capitalisation levels in various parts of the business for potential post construction refinancing and any capital release(s) under such refinancing; and
- Fine tune capital deployment decisions to enable adequate return to shareholders.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year ended 31 March 2018 and 31 March 2017.

The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements.

The Company net debt to equity ratio at the reporting date is as follows:

	31 Mar 18	31 Mar 17
Total borrowing	75,498.37	65,650.75
Less : Cash and bank balances	(899.39)	(753.16)
Net debt	**74,598.98**	**64,897.59**
Equity	1,074,363.04	1,067,712.52
Total equity	**1,074,363.04**	**1,067,712.52**
Net debt to equity ratio	**0.07**	**0.06**

KSK Dibbin Hydro Power Private Limited
Notes to the financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

26 Financial Instruments

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value
	31 Mar 18	31 Mar 18	31 Mar 17	31 Mar 17
Non- current financial assets				
Loans	9,519.03	9,519.03	8,543.12	8,543.12
Other financial asset	709.20	709.20	-	-
Total non-current	**10,228.23**	**10,228.23**	**8,543.12**	**8,543.12**
Current financial assets				
Investments - At fair value through profit and loss	213,975.40	213,975.40	219,444.16	219,444.16
Cash and bank balances	899.39	899.39	753.16	753.16
Other bank balances	21.10	21.10	1,774.47	1,774.47
Other financial asset	0.30	0.30	118.39	118.39
Total current	**214,896.20**	**214,896.20**	**222,090.18**	**222,090.18**
Total	**225,124.43**	**225,124.43**	**230,633.30**	**230,633.30**
Non- current financial liabilities				
Borrowings	75,498.37	75,498.37	65,650.75	65,650.75
Total non-current	**75,498.37**	**75,498.37**	**65,650.75**	**65,650.75**
Current financial liabilities				
Borrowings	2,850.00	2,850.00	3,600.00	3,600.00
Trade payables	5,112.56	5,112.56	4,165.77	4,165.77
Other financial liabilities	140,434.20	140,434.20	140,387.59	140,387.59
Total current	**148,396.76**	**148,396.76**	**148,153.37**	**148,153.37**
Total	**223,895.12**	**223,895.12**	**213,804.12**	**213,804.12**

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised in to different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that is observable for the asset or liability, either directly or indirectly.
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 Mar 18	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Debt securities-At fair value through profit and loss	213,975.40	-	-	213,975.40
Total	**213,975.40**	**-**	**-**	**213,975.40**

31 Mar 17	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Debt securities-At fair value through profit and loss	219,444.16	-	-	219,444.16
Total	**219,444.16**	**-**	**-**	**219,444.16**

KSK Dibbin Hydro Power Private Limited
Notes to the financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

27 Segment Reporting

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 Ind AS 108, "Operating Segment ", no segment disclosure has been made in the financial statements, as the Company has only one business and one geographical segment.

28 Deferred tax

There is no deferred tax asset/liability required to be recognised as per Ind AS-12 "Accounting for taxes on Income" as at balance sheet date.

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

30 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year

for T R Chadha & Co LLP,
Firm Registration No. 006711N
Chartered Accountants

for and on behalf of the Board

Pravin Jabade
Partner
Membership No. 107196

M Balakrishnan
Managing Director
DIN: 07129848

Tanmay Das
Director
DIN: 00680042

Place : Hyderabad
Date : 20 June 2018

B Uday Kiran
Chief Financial Offier

Shreya Mitra
Company Secretary