

INDEPENDENT AUDITORS' REPORT

The Members
KSK WIND ENERGY PRIVATE LIMITED
Hyderabad.

We have audited the accompanying Ind AS financial statements of **KSK WIND ENERGY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, Statement of Profit & Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the IND AS financial statements :

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 that 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility :

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards 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.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's 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 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 accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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 :

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 including the Ind AS

- a) in the case of Balance Sheet of the state of affairs of the Company as at 31 st March, 2018; and
- b) in the case of Statement of Profit & Loss (including other comprehensive Income) for the year ended on that date.
- c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
- d) in the case of statement of changes in equity for the year ended on that date.

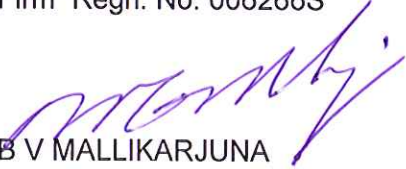
Report on other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the "Annexure A", hereto a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we further report that :
 - i) 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.
 - ii) 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.
 - iii) The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - iv) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- v) On the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
- vi) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - a) Provision relating to Impact of pending litigations on its financial position in its financial statements – NIL ;
 - b) Provision relating to Material Foreseeable Losses on Long-Term Contracts – Not Applicable. The company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the year end.
 - c) The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year.

for ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S


B V MALLIKARJUNA
Partner
Membership No. 023350



Date: 09.06.2018

"ANNEXURE - A" to the Auditor's Report

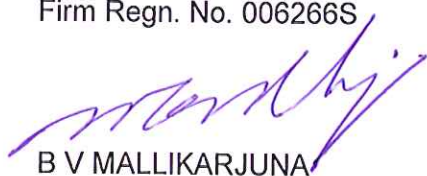
Statement referred to in our report of even date to the members of **KSK WIND ENERGY PRIVATE LIMITED** on the IND AS financial statements for the year ended 31st March, 2018:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company.
- (ii) The company does not carry any inventories; hence the clauses in respect of inventories are not applicable.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered under section 189 of the Companies Act, 2013 and hence this clause is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, company has been complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments and guarantees.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed maintenance of Cost Records under sub – section (1) of section 148 of the Companies Act, 2013.
- (vii)
 - a) According to the information given to us, the Company is regular in depositing undisputed statutory dues including Service Tax, Sales Tax, Provident Fund, Cess etc. with the appropriate authorities. There is no undisputed amounts payable in respect of the aforesaid dues which were outstanding as at 31st March, 2018 for a period of more than six months from the date it became payable.
 - b) The Company is not having any disputed liabilities relating to Income Tax or Sales Tax or Service Tax or Cess as at the year end.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of any dues to banks/ financial institutions.
- (ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has not raised any money by way of public offer (including debt instruments) or by way of term loan during the year and hence the clause relating to application of funds is not applicable.



- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the IND AS financial statements materially misstated.
- (xi) In our opinion and according to the information and explanations given to us, the company has not made managerial remuneration and hence the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the IND AS financial statements as required by the applicable accounting standards.
- (xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.
- (xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S



B V MALLIKARJUNA
Partner
Membership No. 023350



Date: 09.06.2018

“ANNEXURE B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **KSK WINDENERGY PRIVATE LIMITED** (“the Company”) as of 31st March, 2018 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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. 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 Companies Act, 2013.

Auditors’ Responsibility

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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 were established and maintained and if such controls operated effectively in all material respects.

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 IND AS financial statements, whether due to fraud or error.

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.



Meaning of Internal Financial Controls over Financial Reporting

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 Ind AS 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 Ind AS 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 Ind AS financial statements.

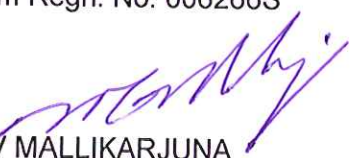
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 31st March, 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 ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S


B.V. MALLIKARJUNA
Partner
Membership No. 023350



Date: 09.06.2018

KSK Wind Energy Private Limited**Balance Sheet as at 31 March 2018**

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

	Note	As at	
		31-Mar-18	31-Mar-17
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	6	7.79	9.96
(b) Capital work in progress	6	1,378.50	1,378.50
(c) Financial Assets			
(i) Investments	8	157,707.57	148,388.05
(d) Other non-current assets	11	9,921.81	9,926.71
		<u>169,015.67</u>	<u>159,703.22</u>
2 Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	12	3,746.19	3,570.60
(ii) Other bank balances	13	-	1,400.94
(iii) Loans	9	1,659.59	19.21
(iv) Other financial assets	10	-	20,760.92
(b) Other current assets	11	378.95	434.96
		<u>5,784.73</u>	<u>26,186.64</u>
		<u>174,800.40</u>	<u>185,889.86</u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	5,000.00	5,000.00
(b) Other Equity		<u>(219,540.04)</u>	<u>(187,253.40)</u>
		<u>(214,540.04)</u>	<u>(182,253.40)</u>
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	121,716.26	105,609.07
(b) Other non current liability	18	11,491.68	10,055.22
		<u>133,207.95</u>	<u>115,664.29</u>
2 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	15	254,824.05	224,700.00
(ii) Trade payables	16	27.84	41.99
(iii) Other financial liabilities	17	1,280.52	27,729.37
(b) Other current liability	18	0.08	7.60
		<u>256,132.49</u>	<u>252,478.96</u>
		<u>174,800.40</u>	<u>185,889.86</u>

See accompanying notes to the financial statements

As per our report of even date

for **Anant Rao & Mallik**

Chartered Accountants

Firm Registration Number: 006266S

For and on behalf of the Board



B V Mallikarjuna

Partner

Membership No.023350

Place : Hyderabad

Date : 9 June 2018


K. Bapi Raju

Director

DIN - 00940849


S. Venkatesh

Director

DIN - 05267026

KSK Wind Energy Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

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

	Note	Year ended	
		31-Mar-18	31-Mar-17
I Other income	19	19,228.53	16,726.83
II Total revenue		<u>19,228.53</u>	<u>16,726.83</u>
III Expenses			
Other expenses	20	1,691.01	1,599.47
Finance costs	21	19,418.65	28,756.53
Depreciation and amortization expense	6, 7	2.17	6.29
Total expenses		<u>21,111.83</u>	<u>30,362.29</u>
IV Profit / (loss) before exceptional items and tax (II-III)		(1,883.30)	(13,635.46)
V Exceptional item		(20,618.71)	-
IV Profit / (loss) before tax (II-III)		<u>(22,502.02)</u>	<u>(13,635.46)</u>
V Tax expense		-	-
VI Profit / (loss) for the year (IV-V)		<u>(22,502.02)</u>	<u>(13,635.46)</u>
VII Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss	22	(9,784.62)	(1,658.10)
Other comprehensive income for the year, net of tax		<u>(9,784.62)</u>	<u>(1,658.10)</u>
VIII Total Comprehensive Income for the period (VI+VII)		<u>(32,286.64)</u>	<u>(15,293.56)</u>
Earnings / (loss) per share :			
Basic / diluted - face value of Rs 10 per share		(45.00)	(27.27)

See accompanying notes to the financial statements

As per our report of even date

for **Anant Rao & Mallik**

Chartered Accountants

Firm Registration Number: 006266S

For and on behalf of the Board


B V Mallikarjuna
 Partner
 Membership No.023350




K. Bapi Raju
 Director
 DIN - 00940849


S. Venkatesh
 Director
 DIN - 05267026

Place : Hyderabad

Date : 9 June 2018

KSK Wind Energy Private Limited

Statement of Changes in Equity for the year ended 31 March 2018

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

A. Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at 1 April 2016	500,000	5,000.00
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2017	500,000	5,000.00
Balance as at 1 April 2017	500,000	5,000.00
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2018	500,000	5,000.00

B. Other equity

Particulars	Retained Earnings	Equity component of compound financial instruments	Equity Instruments through Other Comprehensive Income	Total
Balance as at 1 April 2016	(289,077.85)	150,245.20	(33,127.18)	(171,959.84)
Profit / (loss) for the year	(13,635.46)	-	-	(13,635.46)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Gain / (loss) on financial instrument at fair value through OCI	-	-	(1,658.10)	(1,658.10)
Total comprehensive income	(13,635.46)	-	(1,658.10)	(15,293.56)
Balance as at 31 March 2017	(302,713.31)	150,245.20	(34,785.28)	(187,253.40)
Balance as at 1 April 2017	(302,713.31)	150,245.20	(34,785.28)	(187,253.40)
Profit / (loss) for the year	(22,502.02)	-	-	(22,502.02)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Gain / (loss) on financial instrument at fair value through OCI	-	-	(9,784.62)	(9,784.62)
Total comprehensive income	(22,502.02)	-	(9,784.62)	(32,286.64)
Balance as at 31 March 2018	(325,215.33)	150,245.20	(44,569.90)	(219,540.04)

See accompanying notes to the financial statements

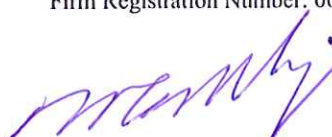
As per our report of even date

for **Anant Rao & Mallik**

Chartered Accountants

Firm Registration Number: 006266S

For and on behalf of the Board


B V Mallikarjuna
 Partner
 Membership No.023350




K. Bapi Raju
 Director
 DIN - 00940849


S. Venkatesh
 Director
 DIN - 05267026

Place : Hyderabad

Date : 9 June 2018

KSK Wind Energy Private Limited
Cash Flow Statement for the year ended 31 March 2018

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

	31-Mar-18	31-Mar-17
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(22,502.02)	(13,635.46)
Adjustments for		
Depreciation and amortisation expense	2.17	6.29
Other income	(19,228.53)	(16,726.83)
Finance cost	19,418.65	28,756.53
Impairment of other advances	20,618.71	-
Others, net	1,436.46	1,436.46
Operating profit before working capital changes	(254.56)	(163.01)
Adjustments for working capital		
Loans and advances	-	0.61
Other assets	56.01	(36.46)
Trade payables	(14.15)	(4.14)
Other liabilities and provisions	(7.53)	4.38
Cash generated from operations	(220.23)	(198.61)
Income tax (paid) / refund	4.90	5,414.96
Net cash from / (used in) operating activities	(215.33)	5,216.35
CASH FLOW FROM INVESTING ACTIVITIES		
Redemption of bank deposit	1,400.94	-
Interest income	266.60	11.45
Net cash from / (used in) investing activities	27.17	11.45
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of finance costs	(29,760.30)	(18,364.28)
Proceeds from / (repayment of) short term borrowings, net	30,124.05	12,983.00
Net cash from / (used in) financing activities	363.75	(5,381.28)
Net increase in cash and cash equivalents	175.59	(153.48)
Cash and cash equivalents at the beginning of the year	3,570.60	3,724.09
Cash and cash equivalents at the end of the year (refer note 12)	3,746.19	3,570.60

Changes in liabilities arising from financing activities on account of non-cash transactions

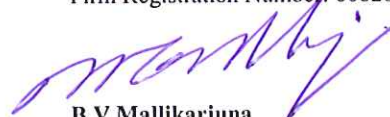
Particulars	31-Mar-17	Cash flows	Non Cash changes	31-Mar-18
			Unwinding of interest	
Long-term borrowings	105,609.07	-	16,107.19	121,716.26
Short-term borrowings	224,700.00	30,124.05	-	254,824.05

As per our report of even date

for Anant Rao & Mallik

Chartered Accountants

Firm Registration Number: 006266S


B V Mallikarjuna

Partner

Membership No.023350

Place : Hyderabad

Date : 9 June 2018



For and on behalf of the board


K. Bapi Raju

Director

DIN - 00940849


S. Venkatesh

Director

DIN - 05267026

KSK Wind Energy Private Limited**Notes to financial statements**

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

1 Corporate Information

KSK Wind Energy Private Limited (or "the Company") is a company registered under the Companies Act applicable in India. The Registered Office of the Company is located at Jubilee Hills, Hyderabad - 500033, Telangana. The Company is primarily engaged in the ownership, operation and maintenance of power projects in India.

2 Basis of Preparation**A Statement of Compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on 9 June 2018.

B Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise stated.

C Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items:

- 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.

3 Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards as of 1 April 2017, noted below.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2017.

IND AS 7 – Statement of Cash Flows: The amendments made to Ind AS 7 require certain additional disclosures to be made for changes in liabilities arising from financing activities on account of non-cash transactions to improve information provided to users of financial statements about an entity's financing activities.

These amendments do not have any material impact on the Company.

4 Significant Accounting Policies**4.1 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.

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

Nature of asset	Useful life (years)
Plant and equipment	5-15
Office equipment	3-6

Assets in the course of construction are stated at cost and not depreciated until commissioned.

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.



4.2 Intangible assets

Intangible assets acquired separately are 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

4.3 Financial Instruments

Financial assets and financial liabilities are recognised when an entity 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.

4.4 Financial assets*Initial recognition & Measurement*

All regular way purchases or sales of financial assets are recognised/derecognised on a trade date basis.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

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

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.

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.



KSK Wind Energy Private Limited

Notes to financial statements

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

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 Company 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.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

4.5 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.

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.



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Notes to financial statements

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

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 as such 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 when the liabilities are derecognised as well as through the amortisation process.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the bond. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

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 EIR.

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 or loss.

4.6 Fair value measurement

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 estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

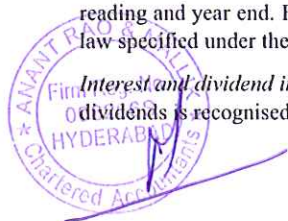
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.7 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.

Sale of electricity : Revenue from the sale of electricity is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end. Further, claim towards tariff adjustments and taxes are recognised in accordance with the specific provision of change in law specified under the power purchase agreement with respective customers.

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.



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Notes to financial statements

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

4.8 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.

4.9 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.

4.10 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.



KSK Wind Energy Private Limited

Notes to financial statements

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

4.11 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.

4.12 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.

4.13 Provisions

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.

4.14 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 recognised in profit or loss.

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.

Employees State Insurance Scheme

Eligible 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 capitalised 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.



5 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.
- *Deferred income tax assets* are recognised for all 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 judgment is required to determine the amount of assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- *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. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.



KSK Wind Energy Private Limited**Notes to financial statements**

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

6 Property, Plant and Equipment

	Plant and equipment	Office equipment	Total	Capital work in progress
Deemed cost				
As at 1 April 2016	22.83	2.87	25.70	1,378.50
Additions	-	-	-	-
As at 31 March 2017	22.83	2.87	25.70	1,378.50
As at 1 April 2017	22.83	2.87	25.70	1,378.50
Additions	-	-	-	-
As at 31 March 2018	22.83	2.87	25.70	1,378.50
Depreciation				
As at 1 April 2016	6.88	2.56	9.44	-
For the year	5.99	0.30	6.29	-
As at 31 March 2017	12.87	2.86	15.73	-
As at 1 April 2017	12.87	2.86	15.73	-
For the year	2.17	-	2.17	-
As at 31 March 2018	15.04	2.86	17.90	-
Net book value				
As at 31 March 2017	9.96	0.00	9.96	1,378.50
As at 31 March 2018	7.79	0.00	7.79	1,378.50

7 Other intangible assets

	Computer software	Total
Deemed cost		
As at 1 April 2016	253.46	253.46
Additions	-	-
As at 31 March 2017	253.46	253.46
As at 1 April 2017	253.46	253.46
Additions	-	-
As at 31 March 2018	253.46	253.46
Amortisation		
As at 1 April 2016	253.46	253.46
For the year	-	-
As at 31 March 2017	253.46	253.46
As at 1 April 2017	253.46	253.46
For the year	-	-
As at 31 March 2018	253.46	253.46
Net book value		
As at 31 March 2017	-	-
As at 31 March 2018	-	-



KSK Wind Energy Private Limited
Notes to financial statements

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

8 Investments

	As at	
	31-Mar-18	31-Mar-17
Non-current investments		
Investments in equity instruments		
At fair value through other comprehensive income		
<i>(quoted, fully paid up)</i>		
364,418 (31 March 2017: 364,418) Equity shares of Rs.10 each, in Thiru Arooran Sugars Limited	11,242.30	21,026.92
<i>(unquoted, fully paid up)</i>		
20 (31 March 2017: 20) Class B equity shares of Rs.10 each, fully paid up in VS Lignite Power Private Limited	0.20	0.20
Investments in debentures		
At amortised cost		
<i>(unquoted, fully paid up)</i>		
38,960,000 (31 March 2017: 38,960,000) Zero Coupon Unsecured Optionally Convertible Debentures of Rs.10 each, in KSK Electricity Financing India Private Limited	146,465.07	127,360.93
	157,707.57	148,388.05
Aggregate amount of quoted investments	55,812.20	55,812.20
Aggregate market value of quoted investments	11,242.30	21,026.92
Aggregate amount of unquoted investments	146,465.27	127,361.13
Aggregate amount of impairment in the value of investments	-	-

9 Loans

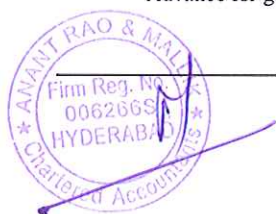
	As at	
	31-Mar-18	31-Mar-17
Short-term loans		
<i>Unsecured, considered good</i>		
Security deposits	2.21	2.21
Loans and advances	1,657.37	17.00
	1,659.59	19.21

10 Other financial assets

	As at	
	31-Mar-18	31-Mar-17
Current		
<i>Unsecured, considered good</i>		
Other advances	-	20,618.71
Interest accrued on deposits	-	142.21
	-	20,760.92
<i>Unsecured, doubtful</i>		
Other advances	20,618.71	-
Less: Provision for doubtful advances	(20,618.71)	-
	-	-
	-	20,760.92

11 Other assets

	As at	
	31-Mar-18	31-Mar-17
Other non-current assets		
<i>Unsecured, considered good</i>		
Capital advances	9,202.59	9,202.59
Advance tax and TDS receivable (net of provision for tax)	719.22	724.12
	9,921.81	9,926.71
Other current assets		
<i>Unsecured, considered good</i>		
Prepaid expenses	377.48	348.71
Advance for goods / services	1.47	86.25
	378.95	434.96
	10,300.76	10,361.67



KSK Wind Energy Private Limited**Notes to financial statements**

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

12 Cash and cash equivalents

	As at	
	31-Mar-18	31-Mar-17
Cash on hand;	4.83	5.23
Balances with banks:		
On current account	3,741.36	3,565.37
	3,746.19	3,570.60

13 Other bank balances

	As at	
	31-Mar-18	31-Mar-17
Deposits with bank held as margin money or security against guarantees or borrowings.	-	1,400.94
	-	1,400.94

14 Share capital

	As at	
	31-Mar-18	31-Mar-17
Authorised:		
500,000 (31 Mar 2017: 500,000) equity shares of Rs. 10/- each	5,000,000	5,000,000
4,500,000 (31 Mar 2017: 4,500,000) preference shares of Rs.10/- each	45,000,000	45,000,000
	50,000,000	50,000,000
Issued, subscribed and paid up:		
500,000 (31 Mar 2017: 500,000) equity shares of Rs. 10/- each	5,000.00	5,000.00
	5,000.00	5,000.00

a The company has only one class of equity shares having a par value of Rs 10/- per share. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.

b Particulars of share holders holding more than 5% of the shares

	As at	
	31-Mar-18	31-Mar-17
Equity shares fully paid up		
KSK Energy Ventures Limited		
No of shares held	499,990	499,990
% of shares held	99.998%	99.998%

c Equity Shares held by holding company

	As at	
	31-Mar-18	31-Mar-17
Equity shares fully paid up		
Holding company		
No of shares held	499,990	499,990
% of shares held	99.998%	99.998%

15 Borrowings

	As at	
	31-Mar-18	31-Mar-17
Long-term borrowings		
<i>Unsecured</i>		
16% Optionally convertible cumulative redeemable preference shares (refer note a)	30,836.68	26,583.34
Debentures (refer note b)	90,879.58	79,025.73
	121,716.26	105,609.07
Short-term borrowings		
<i>Unsecured</i>		
Loans against deposits	-	108,000.00
Loans and advances from related parties	254,824.05	116,700.00
	254,824.05	224,700.00
	376,540.31	330,309.07



KSK Wind Energy Private Limited**Notes to financial statements**

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

Notes

- a Cumulative redeemable preference shares is repayable at par within 20 years from the date of allotment with an interest rate of 16% p.a.
- b The company has issued 21,000,000, Optionally convertible redeemable debentures of Rs.10 each. The debentures are optionally convertible into equity shares of Rs 10 each after five years and redeemable at the end of ten years from the date of allotment. The coupon rate of interest is 0.01% p.a.

16 Trade payables

	As at	
	31-Mar-18	31-Mar-17
Due to other than micro and small enterprises	27.84	41.99
	27.84	41.99

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

17 Other Financial liabilities

	As at	
	31-Mar-18	31-Mar-17
Current		
Interest accrued	39.87	26,488.72
Creditors for capital goods (including retention money)	1,240.65	1,240.65
	1,280.52	27,729.37

18 Other liabilities

	As at	
	31-Mar-18	31-Mar-17
Non Current		
Other liabilities	11,491.68	10,055.22
	11,491.68	10,055.22
Current		
Statutory liabilities	0.08	7.60
	0.08	7.60
	11,491.76	10,062.82



KSK Wind Energy Private Limited**Notes to financial statements**

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

19 Other income

	Year ended	
	31-Mar-18	31-Mar-17
Interest income on financial instruments	95.62	114.54
Unwinding of discount on deposits	19,104.14	16,612.30
Miscellaneous income	28.77	-
	19,228.53	16,726.83

20 Other expenses

	Year ended	
	31-Mar-18	31-Mar-17
Rates and taxes	1,454.33	1,442.68
Communication expenses	0.45	13.30
Insurance charges	-	2.79
Legal and professional charges	186.25	126.08
Remuneration to auditors for audit	12.10	14.43
Travel and conveyance	37.76	-
Miscellaneous expenses	0.13	0.20
	1,691.01	1,599.47

21 Finance costs

	Year ended	
	31-Mar-18	31-Mar-17
Interest expense	3,190.14	14,614.88
Unwinding of discount on debentures	11,853.86	10,307.70
Unwinding of discount on preference shares	4,253.34	3,666.67
Other borrowing cost	121.32	167.27
	19,418.65	28,756.53

22 Other Comprehensive Income

	Year ended	
	31-Mar-18	31-Mar-17
Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income	(9,784.62)	(1,658.10)
	(9,784.62)	(1,658.10)

23 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-Mar-18	31-Mar-17
Accounting Profit before tax	(22,502.02)	(13,635.46)
Enacted tax rates	34.608%	34.608%
Tax on Profit at enacted rates	(7,787.50)	(4,718.96)
Reconciliation items		
Expenditure not deductible for tax purpose	(539.91)	(415.80)
Unrecognised deferred tax assets	8,327.41	5,134.76
Actual tax expense	-	-

24 Segment Reporting

In accordance with the requirements of Ind AS 108 - "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015, no segment disclosure has been made in these financial statements, as the Company has only one geographical and business segment.



KSK Wind Energy Private Limited**Notes to financial statements**

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

25 Earnings / (loss) per Share (EPS)

The computation of EPS as per Ind AS 33 is set out below:

	Year ended	
	31-Mar-18	31-Mar-17
Net profit/(loss) after tax	(22,502.02)	(13,635.46)
Net profit attributable to shareholders - for basic / diluted EPS	(22,502.02)	(13,635.46)
Weighted average number of equity shares outstanding for the purpose of calculation of basic EPS (in thousands)	500	500
Weighted average number of equity shares outstanding for the purpose of calculation of diluted EPS (in thousands)	25,910	25,910
Earnings/(loss) per share – basic/diluted (in Rs.)	(45.00)	(27.27)

26 Related party disclosure**a Parties where control exists**

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

b Parties where significant influence exists and where the transactions have taken place during the year

S No.	Name of the party	Relationship
1	KSK Electricity Financing India Private Limited	Fellow Subsidiary

c Key Management Personnel

S No.	Name of the party	Relationship
1	K Bapi Raju	Director
2	S.Venkatesh	Director
3	V.Sambasiva Rao	Director

d Related party transactions

Particulars	31-Mar-18	
	Holding Company	Fellow Subsidiary
Transactions		
Interest expense	4,253.34	-
Loans taken	-	138,124.05
Loans given	1,640.37	-
Balances at the year end		
Amount receivable	1,640.37	17.00
Amount payable	30,836.68	254,824.05

Particulars	31-Mar-17	
	Holding Company	Fellow Subsidiary
Transactions		
Interest expense	3,666.67	-
Interest expense	-	113,000.00
Loans taken / (refund)	-	17.00
Balances at the year end		
Amount receivable	-	17.00
Amount payable	26,583.34	116,700.00

Corporate guarantees of Rs. Nil (31 March 2017: Rs. 750,000.00) and bank guarantee of Rs Nil (31 March 2017: Rs 2,500,000.00) has been given by the Company on behalf of holding company.

Bank guarantee of Rs 10,000.00 (31 March 2017: Nil) has been given by holding company on behalf of Company.



KSK Wind Energy Private Limited**Notes to financial statements**

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

27 Financial risk management objectives and policies

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: equity risk, interest rate risk, currency risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

Equity price risk

The Company's investments in listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities was Rs. 0.20 (31 March 2017: Rs. 0.20) and the exposure to listed equity securities at fair value was Rs. 11,242.30 (31 March 2017: Rs.21,026.92)

A decrease of 10% on the Indian market index would have an after tax impact of Rs. 1,043.71 (31 March 2017: Rs. 1,726.48) on the income or equity attributable to the Company, depending on whether or not the decline is significant and prolonged. An increase of 10% in the value of the Indian market index would impact income or equity by similar amounts.

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 amortised cost	8	146,465.07	127,360.93
Loans	9	1,659.59	19.21
Other financial assets	10	-	20,760.92
		148,124.66	148,141.07

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 its operating businesses. The treasury department uses regular forecasts of operational 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 scheduled debt servicing payments for long-term financial liabilities as well as 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 for short-term operational needs.

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

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	254,845.05	84.00	395,451.00	650,380.05
Trade payables	27.84	-	-	27.84
Other financial liabilities	1,280.52	-	-	1,280.52
Total	256,153.41	84.00	395,451.00	651,688.41



KSK Wind Energy Private Limited**Notes to financial statements**

(All amounts in Indian Rupees thousands, 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		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	224,721.00	84.00	395,472.00	620,277.00
Trade payables	41.99	-	-	41.99
Other financial liabilities	27,729.37	-	-	27,729.37
Total	252,492.36	84.00	395,472.00	648,048.36

Capital management

Capital includes equity attributable to the equity holders of the Company and debt. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value objectives include, among others:

- 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;

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	376,540.31	330,309.07
Less : Cash and bank balances	3,746.19	3,570.60
Less : Other bank balances	-	1,400.94
Net debt	372,794.12	325,337.53
Equity	(214,540.04)	(182,253.40)
Total equity	(214,540.04)	(182,253.40)
Net debt to equity ratio	(1.74)	(1.79)

28 Financial Instruments

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts in the balance sheet 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				
Investments - At fair value through other comprehensive income	11,242.50	11,242.50	21,027.12	21,027.12
Investments - At amortised cost	146,465.07	146,465.07	127,360.93	127,360.93
Total non-current	157,707.57	157,707.57	148,388.05	148,388.05
Current financial assets				
Cash and cash equivalents	3,746.19	3,746.19	3,570.60	3,570.60
Other bank balances	-	-	1,400.94	1,400.94
Loans	1,659.59	1,659.59	19.21	19.21
Other financial assets	-	-	20,760.92	20,760.92
Total current	5,405.78	5,405.78	25,751.68	25,751.68
Total	163,113.35	163,113.35	174,139.73	174,139.73



KSK Wind Energy Private Limited**Notes to financial statements**

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

Non- current financial liabilities

Borrowings	121,716.26	121,716.26	105,609.07	105,609.07
Total non-current	121,716.26	121,716.26	105,609.07	105,609.07

Current financial liabilities

Short-term borrowings	254,824.05	254,824.05	224,700.00	224,700.00
Trade payables	27.84	27.84	41.99	41.99
Other financial liabilities	1,280.52	1,280.52	27,729.37	27,729.37
Total current	256,132.41	256,132.41	252,471.36	252,471.36
Total	377,848.67	377,848.67	358,080.43	358,080.43

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				
Equity securities - At fair value through other comprehensive income	11,242.30	-	0.20	11,242.50
Total	11,242.30	-	0.20	11,242.50

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the year ended 31 March 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

31-Mar-18	Available-for-sale Unquoted Equities	Total
Opening balance		
Total gains or losses:	0.20	0.20
- in income statement	-	-
- in other comprehensive income		
change in fair value of available for sale financial asset	-	-
foreign currency translation difference	-	-
Settlements	-	-
Transfers into level 3	-	-
Closing balance	0.20	0.20

Total gains or losses for the year shown above, relates to available for sale securities held at the end of the reporting year.

31-Mar-17	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	21,026.92	-	0.20	21,027.12
Total	21,026.92	-	0.20	21,027.12

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the year ended 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:



KSK Wind Energy Private Limited**Notes to financial statements**

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

31-Mar-17	Available-for-sale Unquoted Equities	Total
Opening balance		
Total gains or losses:	0.20	0.20
- in income statement	-	-
- in other comprehensive income		
change in fair value of available for sale financial asset	-	-
foreign currency translation difference	-	-
Settlements	-	-
Transfers into level 3	-	-
Closing balance	0.20	0.20

Total gains or losses for the year shown above, relates to available for sale securities held at the end of the reporting year.

Valuation techniques

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company entity and counterparty when appropriate.

Level 3 fair values for equity securities-available for sale has been determined by using Comparable Company Analyses. This is a relative valuation technique which involves comparing that company's valuation multiples to those of its peers. The multiples consider for the valuation is price to book value which is then adjusted for differences that are directly related to the characteristics of equity instruments being valued such as discounting factor for size and liquidity etc.

As per our report of even date

for **Anant Rao & Mallik**

Chartered Accountants

Firm Registration Number: 006266S

B V Mallikarjuna

Partner

Membership No.023350

Place : Hyderabad

Date : 9 June 2018



For and on behalf of the Board

K. Bapi Raju

K. Bapi Raju

Director

DIN - 00940849

S. Venkatesh

S. Venkatesh

Director

DIN - 05267026