Ajay Sindhwani & Co.
Chartered Accountants

Country Club Campus,
Gokulpuram, Khamardih,
Kachna Road, Raipur (CG),
0771-2284200, 2284300
Email - aksindhwani@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To Members of Madhya Bharat Power Corporation Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone 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 thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting

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policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

a. Note 32 to the financial statements which, describes uncertainty related to the outcome of the lawsuits filed against the Company by some parties.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from 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.

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f) 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".

g) The matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

h) 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Raipur (C.G)
Date: 25th May 2018

For, Ajay Sindhwani & Co.
Chartered Accountants
FRN 015455C

CA. Ajay Kumar
(Partner)
M. No. 072020

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Annexure "A"

ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS
RE : MEMBERS OF MADHYA BHARAT POWER CORPORATION LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2018, we report that:

i) a) The Company has maintained proper records in electronic mode showing full particulars, including quantitative details and situation of Fixed Assets.

b) The Company's programme of physical verification of all its major fixed assets, except certain low value items of Furniture, Fixtures and Office Equipment is in our opinion, reasonable having regard to the size of the company and the nature of its assets. Accordingly, the fixed assets have been physically verified by the management during the year. As explained to us, no material discrepancies have been noticed on such verification.

c) We have inspected the original title deeds of immovable properties of the company held as fixed assets which are in the custody of the company. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.

ii) As explained to us, inventories of materials issued as free of cost materials to construction contractors were physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the inventories have been verified by the management at reasonable intervals in relation to size of the Company and nature of business and no material discrepancies were noticed on physical verification which were not adjusted in the books of accounts.

iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the company, whether reasonable steps for recovery of over dues of such loans are taken does not arise.

iv) In our opinion and according to the information and explanations given to us, the Company has compiled with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted and loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

v) In our opinion and according to the information and explanations provided by the management, the Company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules 2014.

vi) The Central Government has prescribed Companies (Cost Accounting Records) Rules, 2014

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for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company's proposed activities. However, this clause is presently not applicable, as the Company's project is under implementation stage.

vii) a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31st, 2018 for a period of more than six months from the date of becoming payable.

b) According to information and explanations given to us, there are no dues of Income Tax or Sales Tax or Service Tax or Goods and Service Tax or duty of Excise or Value Added Tax which have not been deposited on account of any dispute.

viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not delayed in repayment of borrowing to bank and financial institutions during the year under reference.

On the basis of review of utilization of funds pertaining to term loans on overall basis and according to the related information and explanation given to us, moneys raised by way of term loans taken by the company have been applied for the purposes for which they were obtained, except funds which have been temporarily deployed pending utilization in the project.

ix) On the basis of review of utilization of funds pertaining to term loans on overall basis and according to the related information and explanation given to us, moneys raised by way of term loans taken by the company have been applied for the purposes for which they have were obtained, except funds which have been temporarily deployed pending utilization in the project.

x) Based upon the information and explanations given to us, no material fraud on the Company by its officers or employees nor any fraud by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

xi) On the basis of information and explanation given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii) In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a nidhi, hence, in our opinion, the requirements of Clause 3(xii) of the Order do not apply to the company.

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xiii) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

xiv) The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

xv) In our opinion and according to the information and explanations given to us the Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For, Ajay Sindhwani & Co.
Chartered Accountants
FRN No. 015455C

Place: Raipur (C.G)
Date: 25th May 2018

CA Ajay Kumar
(Partner)
M. No. 072020

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ANNEXURE-B

ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS
Re: Madhya Bharat Power Corporation Limited

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 **Madhya Bharat Power Corporation Limited**, (the "Company"), as of March 31st, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for the Financial Statements

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 was 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 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.

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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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 March 31st, 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, Ajay Sindhwani & Co
Chartered Accountants
FRN No. 015455C

Place: Raipur (C.G)
Date: 25th May 2018

CA Ajay Kumar
(Partner)
M. No. 072020

MADHYA BHARAT POWER CORPORATION LIMITED
Balance Sheet as at 31 March 2018

Amount in Rs.

Particulars	Notes	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	11	35,497,849	16,656,240
Property, plant and equipment under	11	7,507,494,940	5,810,928,758
Other intangibles assets	12	70,619,884	70,619,884
Financial assets			
Long Term Loans and Advances	13	363,161,352	-
Deferred Tax Assets (net)	14	-	-
Other Tax Assets	14.1	2,035,450	21,273,128
Other Non-Current Assets	15	144,550,058	161,494,204
Total non-current assets		**8,123,359,533**	**6,080,972,214**
Current assets			
Financial assets			
Investments	16	466,174,202	-
Short term loans and advances	17	82,008	10,200
Cash and cash equivalents	18	16,749,705	6,064,866
Other Financial assets	18.1	10,105,000	105,000
Other current assets	19	24,452,372	5,172,307
Total current assets		**517,563,287**	**11,352,373**
Total assets		**8,640,922,820**	**6,092,324,587**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	1,627,040,400	1,025,620,000
Other equity	21		
Securities Premium	21	2,343,060,601	1,440,930,001
Retained Earnings	21	(284,660,438)	(234,533,694)
Items of OCI	21		
Remeasurements of Defined Benefit Plan		2,498,511	2,736,595
Share application money to the extent not refundable		-	63,500,000
Total Equity		**3,687,939,074**	**2,298,252,902**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	22	4,542,389,808	3,545,574,887
Other financial liabilities	23	104,123,338	102,755,197
Non Current Provisions	24	37,400,000	37,400,000
Net Employee Benefit Liabilities	25	2,431,448	2,218,222
Deferred tax liabilities		-	-
Total non-current liabilities		**4,686,344,594**	**3,687,948,307**
Current liabilities			
Financial liabilities			
Other financial liabilities	26	260,079,835	76,833,659
Other current liabilities	27	5,477,410	9,087,029
Net Employee Benefit Liabilities	28	1,081,908	817,691
Current tax liabilities	29	-	19,385,000
Total current liabilities		**266,639,153**	**106,123,379**
Total liabilities		**4,952,983,746**	**3,794,071,686**
Total equity and liabilities		**8,640,922,820**	**6,092,324,588**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1, 2 & 3
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

FOR AND ON BEHALF OF BOARD

AS PER OUR REPORT OF EVEN DATE ATTACHED
For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

K.K. Sarda
Chairman
DIN: 00008170

P. S. Duttagupta
Director
DIN: 06639931

Shilpa Rathod
CFO

Manish Sethi
Company Secretary

CA AJAY KUMAR
Partner
M. No. 072020

PLACE : RAIPUR
DATED : 25th May 2018

PLACE : RAIPUR
DATED : 25th May 2018

MADHYA BHARAT POWER CORPORATION LIMITED
Statement of profit and loss for the year ended on 31 March 2018

Amount in Rs.

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Continuing Operations*			
Revenue from operations		-	-
Other income	4	-	23,209
Total income		**-**	**23,209**
Expenses			
Employee benefit expense	5	3,704,500	7,109,934
Finance costs	6	38,820	767,711
Other expenses	7	27,207,698	10,730,018
Total expenses		**30,951,018**	**18,607,663**
Loss fom continuing operations before exceptional item and income tax		**(30,951,018)**	**(18,584,454)**
Exceptional items	8	-	(153,826,655)
Loss fom continuing operations before income tax		**(30,951,018)**	**(172,411,109)**
Current tax		-	-
Deferred tax	9	-	68,606
Related to prior periods	9	19,175,726	-
Income tax expense		**19,175,726**	**68,606**
Loss for the period from continuing operations		**(50,126,744)**	**(172,342,503)**
Other Comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Remeasurement of defined benefit liability for gratuity		(238,084)	327,095
Deferred Tax on Re measurement of Gratuity as per Actuarial Valuation			-
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(238,084)**	**327,095**
Items that will be reclassified subsequently to profit or loss			
Debt instruments through other comprehensive income - net change in fair value		**-**	**-**
Net other comprehensive income to be reclassified subsequently to profit or loss		**(238,084)**	-
Other comprehensive income for the year, net of income tax		**(238,084)**	**327,095**
Total comprehensive income for the year		**(50,364,828)**	**(172,015,408)**
Earnings per share - continuing operations	10		
Basic earnings per share (INR)		(0.365)	(1.899)
Diluted earnings per share (INR)		(0.365)	(1.899)

*The Company is in Project Construction phase and has not commenced Commercial operations as on the reporting date.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED
For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

CA AJAY KUMAR
Partner
M. No. 072020

PLACE : RAIPUR
DATED : 25th May 2018

FOR AND ON BEHALF OF THE BOARD

K.K. Sarda	P. S. Duttagupta	Shilpa Rathod	Manish Sethi
Chairman	Director	CFO	Company Secretary
DIN: 00008170	DIN: 06639931		

PLACE : RAIPUR
DATED : 25th May 2018

MADHYA BHARAT POWER CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Amount in Rs.

Particulars	**Year ended 31.03.2018**	**Year ended 31.03.2017**
A.Cash flow from operating activities		
Profit for the period	(30,951,018)	(172,411,109)
Adjustments for :		
Advances written off	-	15,300,000
Expected loss allowance	-	138,526,655
WDV of disposed items of PPE	-	-
Finance costs	38,820	767,711
Adjustments as per Actuarial Valuation Certificate	(238,084)	(625,000)
Net gain on financial assets designated at fair value through P&L	-	-
Net cash (used in)/ provided by operating activities before taxes	**(31,150,282)**	**(18,441,743)**
Income taxes paid	(19,175,726)	(4,222,633)
Net cash (used in)/ provided by operating activities	***(50,326,008)***	***(22,664,376)***
Cash flow from investing activities		
Purchase of property, plant and equipment (Net of Ind AS effects)	(1,715,407,791)	(1,285,061,478)
Long term loans and advances	(363,161,352)	-
(Investment in MF)/Proceeds from sale of investment in mutual funds	(466,174,202)	185,000,000
Other non current assets	16,944,146	-
Purchase of Intangible Assets	-	(32,677,889)
Short term loans and advances	(71,808)	48,800
Non Current Financial Liabilities	1,368,141	53,460,759
Other Financial assets	(10,000,000)	131,454,304
Current assets	(42,387)	-
Current Financial Liabilities	73,194,507	(118,977,269)
Other current liabilities	(3,609,619)	115,720
Non Current Provisions	213,226	68,870
Other Provisions	264,217	229,035
Net cash (used in)/ provided by investing activities	***(2,466,482,922)***	***(1,066,339,148)***
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	1,440,051,000	519,300,001
Finance costs paid	(38,820)	(767,711)
Increase in Loans and Borrowings	996,814,921	542,669,418
Current Maturity of Long Term Debt	90,666,668	-
Net cash (used in)/ provided by financing activities	***2,527,493,769***	***1,061,201,708***
Net increase/(decrease) in cash and cash equivalents	**10,684,839**	**(27,801,816)**
Cash and cash equivalents at the beginning of the period	6,064,866	33,866,681
Cash and cash equivalents at the end of the period	16,749,705	6,064,866
Net increase/(decrease) in cash and cash equivalents	**10,684,839**	**(27,801,815)**
a) Cash and Cash equivalents include the following		
Cash in hand	125,913	67,074
Balances with banks	16,623,792	5,997,792

b) Previous year figures have been recast/restated wherever necessary.

c) Figures in brackets represent outflows.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

K.K. Sarda
Chairman
DIN: 00008170

P. S. Duttagupta
Director
DIN: 06639931

Shilpa Rathod
CFO

Manish Sethi
Company Secretary

CA AJAY KUMAR
Partner
M. No. 072020

RAIPUR
DATED : 25th May 2018

RAIPUR
DATED : 25th May 2018

Statement of Changes in Equity for the year ened 31st March ,2018

Share Capital

Particulars	Note	Amount
Equity Share Capital		
Balance as at 01 April 2017		**1,025,620,000**
Changes in Equity Share Capital during 2017-18	19	601,420,400
Balance as at 31 March 2018		**1,627,040,400**

Other Equity

Particulars	Note	Share application money to the extent not refundable	Reserves and Surplus				Items of Other Comprehensive		Total other equity
			Securities Premium	Others	General Reserve	Retained Earnings	Debt instruments through Other Comprehens	Remeasurements of the Post employment benefits (defined benefit plans)	
Balance at April 1, 2017		63,500,000	1,440,930,001	-	-	(234,533,694)	-	2,736,595	1,272,632,902
Transactions with owners recorded directly in Equity						-			-
Profit and Loss						(50,126,744)			(50,126,744)
Share Application money received during the year		1,573,051,000							1,573,051,000
Refund of Share Application Money		(96,000,000)							(96,000,000)
Adjusted due to issue of Share out of Share application Money		(1,540,551,000)							(1,540,551,000)
Issue of equity shares for cash			902,130,600						902,130,600
Actuarial Gains / (Loss)on Re measurement of Gratuity as per Actuarial Valuation								(238,084)	(238,084)
Net transactions with owners		**(63,500,000)**	**902,130,600**	**-**	**-**	**-**	**-**	**(238,084)**	**838,392,516**
Balance as of March 31, 2018		**-**	**2,343,060,601**	**-**	**-**	**(284,660,438)**	**-**	**2,498,511**	**2,060,898,674**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED
For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

CA AJAY KUMAR
Partner
M. No. 072020

RAIPUR
DATED : 25th May 2018

FOR AND ON BEHALF OF THE BOARD

K.K. Sarda
Chairman
DIN: 00008170

P. S. Duttagupta
Director
DIN: 06639931

Shilpa Rathod
CFO

Manish Sethi
Company Secretary

RAIPUR
DATED : 25th May 2018

Significant Accounting Policies and Notes to Accounts

1 Reporting Entity

The financial statements comprise financial statements of Madhya Bharat Power Corporation Limited (the Company) for the year ended 31 March 2018. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at E-585, Greater Kailash-II Ground Floor, New Delhi-110048, the project office is at 96 MW Rongnichu Hydro Electric Project, Project Office -1, Sawney Kumrek, Rangpo (East Sikkim) 737102 and the Head Office at 2nd Floor, Vanijya Bhawan, Devendra Nagar Square, Raipur (C.G.). The Company is engaged in the business of generation of electricity from hydro power plant of 96 MW Capacity at Rongnichu River in East District of Sikkim, and is currently is in the project construction stage. The Company is a subsidiary of Sarda Energy and Minerals Limited.

2 Basis of preparation

A. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2006 (Indian GAAP). The date of transition to Ind AS is 1 April 2015.

The financial statements were authorised for issue by the Company's Board of Directors on 25-05-2018.
Details of the Company's accounting policies are included in Note 3.

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 presented in absolute figures, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis and on accrual basis except for the following items (in accordance with respective Ind AS). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Items	Measurement basis
Investments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Borrowings	Amortised Cost
Financial Liabilities	Fair value

D. Use of Judgments and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The fair value of investment in mutual funds are based on price quotations at the reporting date. The fair value of loans from banks and financial institutions and other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

3 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is expected to be realised / paid with in twelve months after the reporting date. All other assets and liabilities are classified as non-current.

b. Foreign currencies

The Company's financial statements are presented in Indian Rupees, which is also the parent company's functional currency.Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

c. Property, plant and equipment

c.1 Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. The residual value, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively.

c.2 Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

c.3 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c.4 Property, Plant and Equipment under Construction and Capitalization

Capital work-in-progress is carried at cost and is capitalized when it is ready to be put to use. There are a few assets which are commissioned during the construction period itself such as administrative assets like furniture, computers etc. These are capitalized as and when these assets are ready to use. However assets which cannot be used in isolation without other assets/ completion of the project shall not be capitalized even if they are fully constructed. Such assets shall be capitalized only on completion of the other assets/ project. (e.g. powerhouse/ barrage/ tunnel, etc. are capitalized on commissioning of the project while individually they may be complete prior to commissioning of the project).

c.4.1 Transition to Ind AS

Administrative & general overhead and other expenditure attributable to construction of the project are accumulated and are subsequently allocated on systematic basis over major immovable assets, other than land and infrastructural facilities, on commissioning of the project.

c.5 Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the statement of profit and loss. The usefule life of assets used during the construction period of the Project which are different from those specified in Part C of Schedule II of Companies Act, 2013 are disclosed below.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation on Property, Plant and Equipment used by the Company during the project under construction is charged to Capital work in progress and forms part of Preoperative Expenses which would be allocated on systematic basis over major immovable assets on commissioning of the project. This is being done in view of the opinion of EAC of Institute of Chartered Accountants of India. Though this issue has not been specifically dealt with by Ind AS on Property, Plant and Equipment, but as per analogy, this policy is continued.

Disclosure of useful lives:

Class of assets	**Estimated Life**	**Depreciation Method**	**Measurement basis**
Furniture and Fixtures	5-10 years	SLM	Historical Cost
Civil structures meant for Project construction period	1-5 years	SLM	Historical Cost
Office Equipments	5-10 years	SLM	Historical Cost
Mobile phones	5 years	SLM	Historical Cost
Plant and Machinery used during project construction period	5-10 years	SLM	Historical Cost

Land-Right to use will be amortized over a period of 35 years from the date of commercial operation of the project in line with CERC Tariff Regulations notified for tariff fixation.

d. **Intangible assets**

d.1 Recognition and measurement

Intangible assets arising from right to use forest land for project are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

d.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

d.3 Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

The useful lives of intangible assets are assessed as either finite or indefinite.

d.4 Amortization

Intangible assets are amortised over useful life of the asset.

d.5 Service Concession Arrangement

The Company has entered into Implementation Agreement with Government of Sikkim for development of Rongnichu Hydro Electric Power Project with installed capacity of 96MW. It has not entered into Power Purchase Agreement (PPA) as on the reporting date of Financial Statements. In view of the Terms and conditions of the Implementation Agreement, and Appendix C to Ind-AS 115, the Company has not entered into a Service Concession Arrangement and therefore the cost of project is recognized and measured as Property, Plant and Equipment and not as Intangible Asset or Financial Asset.

***e.* Free of Cost Materials issued to the Contractor**

Materials for the purpose of being used in the project are recognized at purchase cost by the Company. Since they are to be used in the project construction, they are immediately issued at cost to Contractor. Therefore no materials stock is separately disclosed in the Financial statements on the reporting date, as their cost forms part of the carrying value of Capital Work in Progress as soon as they are procured and issued. Materials issued to the Contractor and lying with it are reconciled periodically and differences identified, if any, are recovered from the Contractor or recognized appropriately according to the nature of difference and as per contractual obligations.

***f.* Impairment**

f.1 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL Ind AS 109

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit‑impaired.

The company follows "simplified approach" for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind-AS 18

For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since intial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write‑off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company’s procedures for recovery of amounts due.

f.2 Impairment of non-financial assets

As the Company is under Project Construction phase, there are no identifiable operating Cash Generating Units (CGU's), the cash flows for which can be estimated. Furthermore, the individual assets are not of the nature whose independent cash flows can be estimated. The Company assesses at the end of each reporting period whether there is an indication of impairement of the assets . If such indications exists, the Company estimates recoverable amount of the asset. If the carrying amount of the asset is higher than its recoverable amount, the Company recognises impairment loss to that extent.

Where the work on a Property, Plant and Equipment under Construction has been suspended for a prolonged period of time and is not expected to re-commence; or it is technically and physically obsolete and its economic benefits to the Company is uncertain; an impairment loss is recognized for the shortfall of the recoverable amount of the PPE under Construction below its carrying amount.

g. Leases

g.1 Determining whether an arrangment contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

For arrangements entered prior to 1 April 2015, the Company has determined whether the arrangement contain lease based on facts and circumstances existing on the date of transition.

g.2 Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on the borrowing costs. Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

g.3 Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

***h.* Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period , taking into account the risks and uncertainities surrounding the obligation.

***i.* Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Transaction costs are calculated by taking into account fees and other cost that have been incurred for establishment of the loan facilities and forms integral part thereof.Borrowings are subsequently measured at amortized cost using Effective Interest Rate (EIR) Method. The EIR amortisation is included in finance cost and is currently capitalised to the cost of PPE under construction and shall be charged to Profit & Loss Account on commencement of commercial operations.

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

j. Taxes

j.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current income tax assets and liabilities 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, at the reporting date in the country where the Company operates i.e India and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

j.2 **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k. **Borrowing costs**

Eligible Borrowing costs as per Ind AS 23 are interest and other costs that are incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l. Retirement and other employee benefits

l.1 ***Short-term obligations***

Liabilities for wages and salaries, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are measured on an undiscounted basis and presented as current employee benefit obligations in the balance sheet to the extent it can be measured reliably.

l.2 ***Other long term employee benefit obligations***

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

l.3 ***Gratuity obligations***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated 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. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

l.4 ***Defined Contribution Plans***

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

l.5 ***Termination benefits***

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

m. **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

n. ***Financial assets***

n.1 **Recognition and initial measurement**

Financial assets of the Company include investments in debt and equity instruments , receivables, deposits , loans and advances to parties and employees, cash and cash equivalents etc. Receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset are initially measured at fair value. Transaction costs that are attributable to the acquisition of all the financial assets (other than financial assets recorded at fair value through profit or loss (FVTPL)) are included in the fair value of the financial assets.

n.2 ***Classification and Subsequent measurement***

For the purpose of initial measurement, financial assets of the Company are classified in the following categories:

► Debt instruments at amortized cost
► Debt instruments at fair value through other comprehensive income (FVTOCI)
► Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The classification of the financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition. Financial assets are not reclassified after their initial recognition, except if and in the period the Company changes its business model for managing financial assets.If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest. Refer note (m)(7) for details.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

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

b) 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 amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized 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:

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

b) The asset's contractual cash flows represent Solely Payment of Principal and Interest (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 recognized 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. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the 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.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

n.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

n.4 Initial recognition and measurement

The financial liabilities of the Company include loans and borrowings, trade and other payables, financial guarantee contracts etc. All financial liabilities are recognised initially at fair value net of directly attributable transaction cost.

n.5 Subsequent measurement

For the purpose of subsequent measurement , financial liabilities of the Company are classified under following categories:

► Financial liabilities at amortized cost

► Financial liabilities at fair value through other comprehensive income (FVTOCI)

Financial liabilities at amortized cost:

a) Borrowings

Financial liabilities at amortised cost are initially recognised at fair value , and subsequently carried at amortised cost using the Effective Interest Rate Method. This category generally applies to borrowings and is most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.For more information, refer Note 2.2 (n).

b) Trade and Other Payables (including liabilities for expenses and works)

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

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 incurred for the purpose of repurchasing in the near term. The Company does not have any such financial liabilities.

n.6 *Derecognition*

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

n.7 *Reclassification of financial assets*

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

n.8 *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o **Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The weighted average number of shares considers the weighted average effect of changes in treasury share transactions during the year.

p **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. **Contingent Liabilities**

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

r. Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

4 Other income

	For 2017-18	For 2016-17
Interest Income		
From Bank		
On IT Refund	-	23,209
Interest Income from FVM	-	-
Financial assets at FVTPL-net change in fair value	-	-
Mandatorily measured at FVTPL - Others (refer Note i below)	-	-
Total	**-**	**23,209**

Note:

i. Rs. 31,16,173 earned by the Company as realized surplus from Sale of Financial Instruments measured at fair value through Profit or Loss which were in the nature of temporary investment is credited to PPE under Construction in accordance with Para 12 of Ind AS 23.

ii. Rs. 17,63,940 earned from sale of scrap is credited to PPE under Construction.

5 Employee benefit expenses

See accounting policy in Note 3(l)

See Actuarial Valuation Table in Note 35

	For 2017-18	For 2016-17
Salaries, incentives and allowances	2,740,137	5,814,379
Staff Welfare	226,320	350,455
Director's Remuneration, Sitting Fees and Other Expenses	260,600	320,100
Expenses related to post-employment defined benefit plans	477,443	607,366
Expenses related to earned leave	-	187,053
Remeasurement of other long term employee benefits (Earned Leave)	-	(169,419)
Total	**3,704,500**	**7,109,934**

6 Finance costs

See accounting policy in Note 3(k)

	For 2017-18	For 2016-17
Interest expense	-	-
Other borrowing costs		
Bank Charges	38,820	3,150
Liquidated Damages Charges	-	-
Loan Reschedulement fees	-	-
Penal Charges	-	-
Fees for Credit Rating	-	764,561
Total	**38,820**	**767,711**

7 Depreciation and amortization expense

See accounting policy in Note 3(c.5)

	For 2017-18	For 2016-17
Depreciation of property, plant and equipment	2,049,784	2,134,214
Depreciation due to revised life estimates	-	8,465,220
Total	**2,049,784**	**10,599,434**

Note:

Depreciation has been included in PPE under Construction.

7.1 **Other expenses**

	For 2017-18	For 2016-17
Repairs & Maintenance		
Building	-	-
Plant & Machinery	-	-
Others	500	12,420
Rent , Electricity and maint.	2,606,023	1,013,039
Rates and taxes	-	-
Filing Fees and expenses	-	35,240
Filing Expenses	4,509,676	-
Filing Fees	36,642	-
PROFESSIOPNAL TAX (COMPANY AND DIRECTORS)	20,000	-
Legal & Professional Expenses	18,298,302	2,160,888
Administrative and Other Expenses	1,154,399	801,501
Project Area Development Expenses	128,346	6,310,758
Payment to Auditors (See Note (i) below)	413,000	345,000
Local Conveyance	40,810	51,172
Total	**27,207,698**	**10,730,017**

Note:

i. Payments to Auditors

	For 2017-18	For 2016-17
As auditor		
Statutory audit	413,000	345,000
Tax audit	-	-
Certification	-	27,600
In other capacity	-	-
Taxation matters	-	-
Company law matters	-	-
Reimbursement of expenses	-	64,462
Total	**413,000**	**437,062**

8.1 **Exceptional Item**

	For 2017-18	For 2016-17
Amounts written off due to non recoverability in respect of Hydro Mechanical Contractor (See Note i below)	-	15,300,000
Amounts written off due to non recoverability in respect of erstwhile Civil Contractor (See Note i below)	-	-
Expected Losses on financial instruments recognized in respect of LHPS and VPS works Contractor (Refer Note (ii) below)	-	13,688,295
Expected Losses on financial instruments recognized in respect of Electro Mechanical Contractor (Refer Note (iii) below)	-	124,838,360
Total	**-**	**153,826,655**

Notes:

i The amounts have been written off during F.Y 2016-17 due to non recoverability of advances on foreclosure of contracts entered with the Contractors. The Company does not reasonably expect further costs to arise due to such foreclosures.

ii The amounts were paid to the Contractor as mobilization advances to initate the work, but the work could not be performed due to several factors attributable to the Contractor. The advance could not be adjusted from running bills and became due from the Contractor. Considering the facts that the Contract was mutually closed and uncertainties related to recovery of the said amount, expected losses have been recognized in the financial statements during F.Y 2016-17.

iii The amounts were paid to the Electro Mechanical Contractor as advances to initiate work as per the Contract. But the contract was suspended by the Contractor and the amounts paid as advance became due as receivable. The Contractor has raised claims for losses incurred against the Company (Refer Note 32.A.(i)) and expected losses have been recognized by the Company to the extent of amounts receivable (i.e. initial amount given as advance) from the said party during F.Y. 2016-17. The matter is presently under arbitration and the Company is pursuing for its recovery.

9 Income tax expense

A. Income tax recognised in profit or loss

Current tax expense	**March 31 2018**	**March 31, 2017**
Current year	-	-
Adjustment for prior periods	19,175,726	-
Deferred tax expense		
Attributable to		
Revaluation of current investments	-	-
Tax losses carried forward	-	-
Total income tax expense	**19,175,726**	**-**

B. Income tax recognised in OCI

	March 31 2018	**March 31, 2017**
Deferred Tax on Difference in Tax Base of Fixed Assets on transition date	-	-
Deferred Tax on Remeasurement of Employee benefits (Leave)	-	-
Total income tax expense charged to OCI	-	-

C. Reconciliation of tax expense and accounting profit

	March 31 2018	**March 31, 2017**
Accounting profit before tax		
Current Tax adjustments		
Tax using the Company's domestic tax rate	25.00%	25.00%
Interest on IT Refund		
Expense not allowed for tax purpose	0.00%	-22.31%
Deferred Tax adjustments		
Current year losses for which no deferred tax asset was recognised	-25.00%	-2.69%
Revaluation gain on financial instruments (FVTPL)		
Reversal of deferred tax on disposal of financial instruments on which revaluation gain was recognized	0.00%	0.04%
Effective income tax rate	0.00%	0.04%

C Amounts recognised directly in equity

	March 31 2018	**March 31, 2017**
Current tax for prior periods	-	(3,746,700)
Deferred tax	-	-
Total	**-**	**(3,746,700)**

D **Deferred tax assets and liabilities**

Deferred tax relates to the following:

	March 31 2018	March 31, 2017
Finance lease	-	-
Provision for loss allowance	-	-
Expenses allowed on payment basis	-	-
Unused tax losses/ depreciation	-	-
Other items giving rise to temporary differences	-	-
Total	-	-

E

Reconciliation of deferred tax assets/ Liabilities		
	March 31 2018	**March 31, 2017**
Opening balance as at 1 April	**-**	**68,606**
Tax income/expense during the period recognised in profit or loss		(68,606)
Tax income/expense during the period recognised in Retained Earnings	**-**	-
Closing balance	**-**	-

F **Explanation of change in applicable tax rate compared to previous period**

The tax rate applicable to the Company for calculation of current tax and deferred tax was changed due to changed in provisions of applicable laws.

G Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	March 31 2018	March 31, 2017
Deductible temporary differences		-
Tax losses	(30,951,018)	(18,584,454)
	(30,951,018)	**(18,584,454)**

Note:

The tax losses expire in 2025-26. The deductible temporary differences do not expire under current tax legislation.

10 **Earnings per share (EPS)**

A. **Basic Earnings Per Share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

i. *Profit & Loss attributable to Equity Shareholders*

Particulars	As at March 31 2018	As at March 31, 2017
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(50,126,744)	(172,342,503)
Nominal Value of Equity Shares	10	10

ii. *Weighted average number of equity shares (basic)*

Particulars	March 31 2018	March 31, 2017
Opening Balance	102,562,000	84,330,000
Effect of fresh issue of shares for cash	34,634,272	6,401,973
Weighted average number of equity shares for the year	**137,196,272**	**90,731,973**

B. **Diluted Earnings Per Share**

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares. No potential ordinary shares have been identified which were dilutive as on the reporting date or during the year.

For the year ended 31 March 2018, 160,835,625 potential shares due to convertible borrowings (31 March 2017: 132,982,993) were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

11 **Property, Plant and Equipment and PPE under Construction**

See accounting policies in Note 3(c)

A. **Reconciliation of carrying amount**

For 2017-18	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Peripherals	Building (Constructed over leasehold land)	Total	PPE under Construction
Cost or Deemed Cost (Gross carrying amount)	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
Balance as at 01.04.2017	**21,236,089**	**3,964,514**	**1,554,426**	**1,965,971**	**2,447,044**	**5,358,675**	**36,526,719**	**5,810,928,758**
Additions	15,511,100	293,024	3,099,212	406,999	163,708	1,417,351	20,891,394	1,703,579,212
Balance as at 31.03.2018 before IND AS adjustments	**36,747,189**	**4,257,538**	**4,653,638**	**2,372,970**	**2,610,752**	**6,776,026**	**57,418,113**	**7,514,507,969**
Ind AS Adjustment (FV measurement of Investments)	-	-	-	-	-	-	-	(7,013,029)
Balance as at 31.03.2018 after IND AS adjustments	**36,747,189**	**4,257,538**	**4,653,638**	**2,372,970**	**2,610,752**	**6,776,026**	**57,418,113**	**7,507,494,940**
Accumulated Depreciation as on 31.03.2017	**6,879,526**	**3,679,537**	**717,257**	**999,020**	**2,413,579**	**5,181,560**	**19,870,479**	
Depreciation/amortization	1,291,677	161,933	349,512	172,973	13,190	60,500	2,049,784	
							-	-
Accumulated Depreciation as on 31.03.2018	**8,171,203**	**3,841,469**	**1,066,769**	**1,171,992**	**2,426,770**	**5,242,060**	**21,920,263**	**-**
Carrying Values								
At 31.03.2018 as per Ind AS	**28,575,986**	**416,069**	**3,586,869**	**1,200,978**	**183,982**	**1,533,966**	**35,497,850**	**7,507,494,940**
At 31.03.2017 as per Ind AS	**14,356,563**	**284,977**	**837,169**	**966,951**	**33,465**	**177,115**	**16,656,241**	**5,810,928,758**

For 2017-18	Cost as on 01.04.2017	Addition/Transfer from other heads	Cost as on 31.03.2018	Accumulated Depreciation as on 01.04.2017	Depreciation for the year	Accumulated depreciation as on 31.03.2018	Ind AS Adjustments for the year	Carrying Amount as on 31.03.2018
Plant and Equipment	21,236,089	15,511,100	36,747,189	(6,879,526)	(1,291,677)	(8,171,203)		28,575,986
Furniture and Fixtures	3,964,514	293,024	4,257,538	(3,679,537)	(161,933)	(3,841,470)		416,068
Vehicles	1,554,426	3,099,212	4,653,638	(717,257)	(349,512)	(1,066,769)		3,586,869
Office equipment	1,965,971	406,999	2,372,970	(999,020)	(172,973)	(1,171,993)		1,200,977
Computer and Peripherals	2,447,044	163,708	2,610,752	(2,413,579)	(13,190)	(2,426,769)		183,983
Building (Constructed over leasehold land)	5,358,675	1,417,351	6,776,026	(5,181,560)	(60,500)	(5,242,060)		1,533,966
Total	**36,526,719**	**20,891,394**	**57,418,113**	**(19,870,479)**	**(2,049,785)**	**(21,920,264)**	**-**	35,497,849
PPE under construction	5,810,928,758	1,703,579,212	7,514,507,969	-	-	-	(7,013,029)	7,507,494,940

B. **Security**

As at 31 March 2018 and comparative periods, Property, Plant and Equipments with carrying amounts as appearing above are subject to first charge to secure bank loans. (see Note 22).

C. **Borrowing Costs Capitalized:**

1.The Company has acquired and is in the process of constructing assets for setting up a hydro power plant. The Company continued construction of the the plant during the financial year 2017-18. The amount of borrowing cost directly attributable to acquisition and construction of these assets is capitalised as part of the cost of the assets and is included in the cost of PPE under construction above as per Ind AS 23.

2. For the purpose of calculation of borrowing costs for capitalization, the Capitalisation rate is not required, because the qualifying assets are not funded from a pool of general borrowings, but from borrowings made for specific purpose of acquisition of project assets.

D. **Site Restoration and Environment Management Costs**

The Company has carried out an Environment Impact Analysis and has developed a detailed Environment Management Plan under which costs related to environment management has been estimated out of which Rs. 7,202,000 and Rs. 57,826,000 have already been paid by the Company. The cost of such activities is provided and included in the cost of PPE under Construction. Details for estimated costs are as under:

Biodiversity Conservation Management Plan	7,202,000
Action Plan for Catchment Area Treatment	57,826,000
Fisheries Development	2,779,000
Public Health Delivery System	6,610,000
Solid Waste Management	1,838,000
Provision for Fuelwood/ LPG Depots and Energy Conservation Measures	2,500,000
Relocation and Rehabilitation of Dumping Sites	5,493,000
Landscaping and Restoration of Construction Areas	2,800,000
Creation of Green Belt around Reservoir	860,000
Resettlement and Rehabilitation Plan	12,520,000
Environmental Monitoring Programme	2,000,000
Total	**102,428,000**

11.2 **Property, Plant and Equipment and PPE under Construction**

See accounting policies in Note 3(c)

A. **Reconciliation of carrying amount**

For 2016-17	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Peripherals	Building (Constructed over leasehold land)	Total	PPE under Construction
Cost or Deemed Cost (Gross carrying amount)	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
Balance as at 01.04.2016	**18,554,398**	**3,964,514**	**1,554,426**	**1,869,732**	**2,447,044**	**3,317,814**	**31,707,928**	**4,515,317,717**
Additions	2,681,691	-	-	96,239	-	-	2,777,930	1,300,899,659
Balance as at 31.03.2017	**21,236,089**	**3,964,514**	**1,554,426**	**1,965,971**	**2,447,044**	**3,317,814**	**34,485,858**	**5,816,217,376**
Ind AS Adjustments								
Provision for Environment Management Costs as per Ind AS								37,400,000
Interest income on Income Tax refund recognized in Statement of profit or loss								23,209
Temporary Civil Structures Capitalized	-	-	-	-	-	2,040,861	2,040,861	(2,040,861)
Amounts recognized as expenses in Statement of profit or loss as per Ind AS								(16,822,291)
Prepaid SA Fees capitalised								426,225
Depreciation on Computers Reversed								(58,722)
Current portion of amortised cost capitalized in accordance with Ind AS	-	-	-	-	-	-	-	924,879
Borrowing costs incurred during the year eligible for amortization reduced from PPE under Construction and presented appropriately	-	-	-	-	-	-	-	(32,838,566)
Other Borrowing related costs not eligible for amortization expensed in the current year	-	-	-	-	-	-	-	(767,711)
Balance as at 31.03.2018 after IND AS adjustements	**21,236,089**	**3,964,514**	**1,554,426**	**1,965,971**	**2,447,044**	**5,358,675**	**36,526,719**	**5,802,463,538**
Accumulated Depreciation as on 31.03.2016	**3,473,745**	**2,062,871**	**527,395**	**695,953**	**2,413,579**	**97,502**	**9,271,044**	**-**
Depreciation/amortization	1,376,106	408,393	189,862	107,341	-	52,512	2,134,214	
Depreciation due to revised estimated useful lives as per Ind AS	2,029,675	1,208,273	-	195,726	-	5,031,546	8,465,220	8,465,220
Accumulated Depreciation as on 31.03.2017	6,879,526	3,679,537	717,257	999,020	2,413,579	5,181,560	19,870,478	8,465,220
Carrying Values								
At 31.03.2017 as per Ind AS	**14,356,563**	**284,977**	**837,169**	**966,951**	**33,465**	**177,115**	**16,656,241**	**5,810,928,758**
At 31.03.2016 as per Ind AS	**15,080,653**	**1,901,643**	**1,027,031**	**1,173,779**	**33,465**	**3,220,312**	**22,436,884**	**4,515,317,717**
At 01.04.2015 as per Ind AS	**16,168,260**	**2,140,699**	**1,141,366**	**1,281,120**	**22,324**	**1,204,272**	**21,958,041**	**3,494,810,845**

For 2016-17	Cost as on 01.04.2016	Addition/Transfer from other heads	Cost as on 31.03.2017	Accumulated Depreciation as on 01.04.2016	Depreciation for the year	Accumulated depreciation as on 31.03.2017	Ind AS Adjustments for the year	Carrying Amount as on 31.03.2017
Plant and Equipment	16,292,271	2,681,691	18,973,962	(1,211,618)	(3,405,781)	(4,617,399)		14,356,563
Furniture and Fixtures	2,310,036	-	2,310,036	(408,393)	(1,616,666)	(2,025,059)		284,977
Vehicles	1,216,893	-	1,216,893	(189,862)	(189,862)	(379,724)		837,169
Office equipment	1,281,120	96,239	1,377,359	(107,341)	(303,067)	(410,408)		966,951
Computer and Peripherals	92,188	-	92,188	(58,723)	-	(58,723)		33,465
Building (Constructed over leasehold land)	3,256,542	2,040,861	5,297,403	(36,230)	(5,084,058)	(5,120,288)		177,115
Total	**24,449,050**	**4,818,791**	**29,267,841**	**(2,012,167)**	**(10,599,434)**	**(12,611,601)**	**-**	**16,656,240**
PPE under construction	4,515,317,717	1,309,364,879	5,824,682,596	-	-	-	(13,753,838)	5,810,928,758

12 Intangible Assets

See accounting policy in Note 3(d)

Finite Useful Lives	**35 years from COD**	**35 years from COD**	**As on 31.03.2018**
For 2017-18	**Right to use Forest Land**	**Transmission Line - Right of Way**	**Total**
Cost or Deemed Cost (Gross carrying amount)			
Balance as at 01.04.2017	**37,941,995**	**32,677,889**	**70,619,884**
Additions			
Disposals			
Balance as at 31.03.2018	**37,941,995**	**32,677,889**	**70,619,884**
Accumulated amortization as on 31.03.2018	**-**		
Amortization	-		
Disposals	-		
Accumulated Amortization as on 31.03.2018	-		
At 31.03.2018 as per Ind AS	**37,941,995**	**32,677,889**	**70,619,884**
At 31.03.2017 as per Ind AS	**37,941,995**	**32,677,889**	**70,619,884**

Note:

i. **Restrictions on title of Rights:**

A letter of comfort from the Government has been granted, that in the event of enforcement of any Security Interest by the Lenders, the GOS or the GOI, as the case may be, shall allow the transfer of the right to use of the Forest Land to the successor.

Non current assets

13 Financial Assets

Long Term Loans and Advances

	31 March 2018	31 March 2017
Capital Advances		
Secured	363,161,352	
Amount receivable from Electro Mechanical Contractor		127,042,157
(Refer Note 32)		-
Less: Payable for Electro Mechanical work		1,224,329
Less: Payable for other Electro Mechanical work		979,468
Net Amount receivable from Electro Mechanical Contractor	**-**	**124,838,360**
Amount receivable from LHPS and VPS Works Contractor	-	13,688,295
Less: Expected Losses on financial instruments recognized (Refer Note 8.1(ii) and (iii))	-	(138,526,655)
Total	**363,161,352**	**-**

14 Deferred Tax Assets/(Liabilities)

See accounting policy in Note 3(j.2)

	31 March 2018	31 March 2017
Deferred Tax Assets		
Deffered tax assets at the beginning of the year	-	(68,606)
Deffered tax assets during the year on account of timing difference		-
Deffered tax liabilities during the year on account of timing difference		68,606
Total	-	-

14.1 Other Tax Assets

See accounting policy in Note 3(j.1)

	31 March 2018	31 March 2017
Others		
Tax Deducted at source receivable	1,970,450	1,888,128
Income Tax of Block Assessment Years	65,000	19,385,000
Total	**2,035,450**	**21,273,128**

15 Other Non-Current Assets

	31 March 2018	31 March 2017
Capital Advances		
Security deposits and Mobilzation advances (non-financial nature)		
Advance to Government Authority- Geology Deptt	-	310,000
Advance to erstwhile Civil Contractor		-
Advance for Project related services	280,900	1,254,150
Mobilization Advance for Civil Work		-
Mobilization Advance for Transmission line works	-	
Mobilization Advance for HM works	-	
Advance for Supply and Erection of Pre engineered steel building structures	5,440,979	
Advance to Electro Mechanical Contractor	-	-
Advance to LHPS and VPS Works Contractor		-
Advance to Trnasmission Line Contractor		
Advance for Penstock Works (Refer Note ii below)	-	46,000,000
Advance for Hydro Mechanical Works	25,235,796	15,300,000
Less: Amounts written off due to non recoverability (Refer Note 8.1(i))	-	(15,300,000)
	30,957,675	47,564,150
Advances other than capital advances		
Prepaid Lease Rent	**-**	**724,040**
Security Deposit for Water Connection	1,100	1,100
Deposit with Hughes communication	3,000	3,000
Deposit for Leased Premises		-
Receivable from Eastern Carriers	238,330	238,330
Other Advances	12,500	-
Others		
Prepaid Rent for Operating Lease of Land (Refer Note i below)	113,337,453	112,963,584
	144,550,058	**161,494,204**

Note:

i Prepaid rent for Operating lease of Land Comprises of Advance lease rental paid for land acquired for the purpose of project. Leasehold land is acquired from the Government as well as private parties. Even though the legal period of some leasehold rights is 99 years, it is not considered to be more than the economic life of the right to use the leasehold land for the Company, which shall not be more than the period for which the Company is expected to operate the Project. IT also comprises of additional compensation paid for the acquisition of leasehold land.

16 **Current investments-Financial Assets -Investments**

See accounting policy in Note 3(n)

	31 March 2018	31 March 2017
Investments in Equity Instruments		
Quoted		
Investments in Mutual Funds		
Union Liquid Fund A/c No-317901011013451	459,161,173	-
(No. of units :270107.744 , (PY : Nil)		
Add: increase due to Fair Valuation Through Profit or Loss (FVTPL) (Refer Note i below)	7,013,029	-
Total	**466,174,202**	**-**
	3/31/2018	**3/31/2017**
Aggregate amount of quoted investments and market value thereof;	466,174,202	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

17 **Current Assets -Financial Assets-Short term loans and advances**

See accounting policy in Note 3(m)

	3/31/2018	31 March 2017
Other loans		
Unsecured, considered good		
Staff Loans	74,508	10,200
Security Deposits		
Unsecured, considered good		
Security Deposit for leased premises	7,500	-
Total	**82,008**	**10,200**

Note:

Loans granted to staff is interest free and has been given in accordance with the loan policy of the Company.

18 **Current Assets -Financial Assets Cash and cash equivalents**

See accounting policy in Note 3(p)

	31 March 2018	31 March 2017
Balances with banks		
- In current accounts (Refer Note i below)	16,623,792	5,997,792
Cash on hand		
Head Office	124,404	52,547
Project Site	1,509	14,527
Total	**16,749,705**	**6,064,866**

	31 March 2018	31 March 2017
Amounts of undrawn fund based committed borrowing facilities as on the reporting date subject to fulfilment of terms and conditions of sanction	2,913,330,384	3,995,727,000
Balances in the bank accounts are pledged as against borrowings of the Company	16,623,792	5,997,792

Note

i. The Company has opened a Trust and Retention Agreement Account as a designated account in pursuance of terms of Facility agreement, and as per terms of the agreement all the project expenses whether direct or indirect shall be routed through Trust and Retention Account and further proceeds from invetsments and reinvestments shall be credited to that account only.

18.1 **Current Assets -Financial Assets -'Other Financial Assets**

See accounting policy in Note 3(n)

	31 March 2018	31 March 2017
Bank Deposit with more than 12 months maturity		
Fixed Deposit with VAT/Sales Tax Authorities (Refer Note i below)	105,000	105,000
FD With Union Bank of India	10,000,000	-
	10,105,000	**105,000**

Note

i. The fixed deposit in IDBI Bank has been pledged with VAT/Sales tax department and interest accrued has not been recognized as income in Statement of profit and loss by the Company, as it is not reasonably certain as to whether the cash inflows from interest will accrue to the Company.

ii. The fixed deposit with Union Bank Bank has been created for providing 100 % margin for issue of Bank Gurantee in favour of Deputy Commissioner of Customs, Kolkata , interest accured has been recognized in accounts .

19 **Current Assets -Financial Assets-Other current assets**

	31 March 2018	31 March 2017
Advances other than capital advances		
Advances to Staff and Others	-	171,396
Advances to Vendors	723,836	3,732,092
Advances to Contractors and vendors for purchase of Capital Assets	18,640,352	-
Others		
Prepaid expenses - Current Upfront Cost of Long Term Borrowings	5,085,038	1,268,819
Accured Interest on FDR for BG	3,146	
Total	**24,452,372**	**5,172,307**

MADHYA BHARAT POWER CORPORATION LIMITED
Significant accounting policies and notes to the accounts
For financial year ended 31 March 2018

20 Equity share capital

A.

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised	1,750,000,000	1,250,000,000
Face value of per share is Rs. 10		
Issued, subscribed and paid-up capital	1,627,040,400	1,025,620,000
Total	**1,627,040,400**	**1,025,620,000**

B. **Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given**

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the period	102,562,000	1,025,620,000	84,330,000	843,300,000
Add:	60,142,040	601,420,400	18,232,000	182,320,000
Less:	-	-	-	-
Number of shares outstanding at the end of the period	162,704,040	1,627,040,400	102,562,000	1,025,620,000

C. **Rights, preferences and restrictions attached to equity shares**

i The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

ii The Company cannot distribute dividend before the start of repayment of the loan.

iii Pledge of Promoters' Equity Interest representing at least 60% (Sixty percent) of the Project Equity Capital (including the additional Equity for First Cost Overrun) in favor of the Security Agent (acting for the benefit of the Lenders), at all times, until the Final Settlement Date, increased from the initial 51% (Fifty-One percent) pledged vide the Existing Financing Documents, as and by way of a collateral security.

D. **Shares held by holding company and/or their subsidiaries/associates**

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares	%	Number of shares	%
Sarda Energy and Minerals Limited	106,848,040	65.67%	64,006,000	62.41%
Sarda Energy Limited	20,000,000	12.29%	18,940,000	18.47%
Chhatisgarh Investments Limited	35,556,000	21.85%	19,316,000	18.83%
Sattva Seeds Pvt. Ltd.	10,000	0.01%	10,000	0.01%
Total	**162,414,040**	**99.82%**	**102,272,000**	**99.72%**

E. **Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares	%	Number of shares	%
Sarda Energy and Minerals Limited	106,848,040	65.67%	64,006,000	62.41%
Sarda Energy Limited	20,000,000	12.29%	18,940,000	18.47%
Chhatisgarh Investments Limited	35,556,000	21.85%	19,316,000	18.83%
Total	**162,404,040**	**99.82%**	**102,262,000**	**99.71%**

F. In the period of five years immediately preceding 31 March 2018, the Company has neither issued bonus shares, bought back any equity shares nor has not allotted any equity shares as fully paid up without payment being received in cash.

21 **Other Equity**

A.

	March 31, 2018	31 March 2017
Securities Premium Account		
Balance as per last financial statements	1,440,930,001	1,167,450,000
Addition on account of shares issued	902,130,600	273,480,001
Fees for increasing authorized capital derecognized and transferred to P&L		-
Closing Balance	**2,343,060,601**	**1,440,930,001**
Reserves representing unrealized gains and		
Balance as per last financial statements	2,736,595	2,409,500
Equity instruments through Other Comprehensive Income	-	-
Remeasurements of the net defined	(238,084)	327,095
Closing Balance	**2,498,511**	**2,736,595**
Retained Earnings		
Balance as per last financial statements	(234,533,694)	(63,687,891)
Transition GAAP adjustments	-	-
Transition Ind AS adjustments	-	1,496,700
Profit or loss for the year	(50,126,744)	(172,342,503)
Closing Balance	**(284,660,438)**	**(234,533,694)**
Total	**2,060,898,674**	**1,209,132,902**

Note:

i. ***Securities premium***

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ii. ***Remeasurements of defined benefit liability (asset)***

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

B. **Capital management**

i. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

ii. The Company's main objectives when managing capital are to:

· ensure ongoing access to funding to develop, maintain and expand

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;

· ensure compliance with covenants related to its credit facilities; and

· minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.

· safeguard its ability to continue as a going concern

· to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

iii. The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

iv. The Company also uses Debt Service Coverage Ratio or DSCR for the purpose of its Capital Management. As per lending agreement DSCR for the previous 12 months shall not be less than 1.2 times when tested on the Interest Payment Dates, assuming the Debt Equity Ratio to be 64:36. DSCR shall mean, on any date, in respect of any period, the ratio of (i) is to (ii) below:

(i) the aggregate of: (a) profit after tax (excluding non-cash adjustments, if any) for that period; (b) depreciation for such period (c) Interest payable under this Agreement for such period; (d) financing costs payable under this Agreement for such period; and (e) deferred income tax liability; and

(ii) an amount equal to the sum of Interest and financing costs payable and the Repayment Instalment to be paid for that period.

v. The Company monitors capital using a ratio of 'Gross debt (unamortised cost)' to 'adjusted equity'. For this purpose, Gross debt (unamortised cost) is defined as total liabilities, comprising interest-bearing loans and borrowings. Adjusted equity comprises of Equity share Capital and Securities Premium. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. Debt Equity Ratio as per Lending Agreement shall be 64:36.

Gross Debt (unamortised cost)/Adjusted Equity Ratio:

		31-Mar-18 INR	31-Mar-17 INR
Total Liabilities		4,686,469,616	3,604,073,065
Equity		3,970,101,001	2,530,050,001
Adjusted net debt to equity ratio		0.54	0.59

NON CURRENT LIABILITIES

22 **Financial liabilities**

Non current Borrowings

See accounting policy in Note 3(i),(m.4,5,6,7)

	Maturity Date	Nominal Interest Rate	As at March 31, 2018	As at March 31, 2017
Term loans				
Rupee Term loans				
From banks				
Secured Loans	Refer Note 22.B.i			
IDBI Bank		BBR plus 375 bps	855,011,706	840,652,380
From Financial Institutions				
Secured Loans				
Power Finance Corporation	Refer Note 22.B.i	PFC Policy as per Project Rating	3,124,812,828	2,151,331,650
PTC India Financial Services Limited	Refer Note 22.B.i	PFSRR - 1.5% with annual resets after COD	615,978,414	612,089,035
Borrowings at Carrying Value			**4,595,802,948**	**3,604,073,065**
Less: Amortisation of costs due to Ind AS			(53,413,140)	(58,498,178)
Amortised Cost of Borrowings			**4,542,389,808**	**3,545,574,887**

Note:

i Information about the Company’s exposure to interest rate, foreign currency and liquidity risks is included in Note 32(C).

ii The Company has entered into a Revised and Amended Facility Agreement on 09.02.2017 which the terms of facilities have been revised pursuant to which the several covenants of the facilities from different lenders have been converged.

A. **Nature of security (Common Covenants for all lenders) :**

i. Mortgage and charge of all the immovable properties, both present and future, including the Project Site (excluding Forest Land).

ii. Hypothecation and charge, of all the moveable Project Assets, including the moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, intangible, goodwill, uncalled capital etc. present and future pertaining to the Project, all the rights title, interest, benefits, claims and demands, whatsoever of the Borrower in any letter of credit, guarantee, all Insurance Contracts and Insurance Proceeds;

iii charge on the operating cash flows, book debts, receivables, all current assets, commissions and revenues of whatsoever nature and wherever arising, both present and future pertaining to the Project;

iv. assignment of and creation of a charge, on the following, relating to the Project:
(i) all the rights, titles, interests, benefits, claims and demands whatsoever in the Project Documents, duly acknowledged and consented to by the relevant Counterparties to such Project Documents, all as amended, varied or supplemented from time to time;
(ii) all the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Clearances;
(iii) all the rights, titles, interests, licenses, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond provided by any of the parties to the Project Documents; and
(iv) all Insurance Contracts and Insurance Proceeds.

v. charge on all the letter of credits and any other bank account, reserves, relating to the Project, wherever maintained; and *vi.* charge on the Trust & Retention Accounts (including DSRA), all the cash flows of the Project, including balance Equity, CER Proceeds, including any other Project related revenue/receipts flowing through the TRA, both present and future.

vii. Pledge of Promoters' Equity Interest representing at least 60% (Sixty percent) of the Project Equity Capital (including the additional Equity for First Cost Overrun) in favor of the Security Agent (acting for the benefit of the Lenders), at all times, until the Final Settlement Date, increased from the initial 51% (Fifty-One percent) pledged vide the Existing Financing Documents, as and by way of a collateral security.

viii. Personal Guarantee of Individual Guarantor (promoter, director and chairman and managing director of the company) which shall be released on satisfactory debt-service for two years after COD out of the operating cash flows of the Project, as and by way of a collateral security;

ix. Debt Service Reserve Amount being atleast 2 (two) quarters principal and interest amount, as and by way of a collateral security.

B. **Repayment Covenants:**

IDBI

a) Total sanctioned facilities is of Rs. 202.70 Crores out of which original loan was Rs. 100 Crore (current o/s Rs. 88.10 Crore) and additional facilities is Rs. 102.70 Crore , Original loan is rapayable in 37 quarterly installments of Rs. 2.38 Crore each commencing from six months from the scheduled commercial operation date (SCOD)i.e. from January,01,2019. New loan of Rs. 102.70 crore is repayable in 60 quarterly installments starting from 12 months after SCOD i.e. from July 01,2019 , The initial 40 installments of new loan would be Rs. 91.57 Lacs and balance 20 installments would be Rs. 330 lacs respectively.

Power Finance Corporation

a) Total sanctioned facilities is of Rs. 441.07 Crores out of which original loan was Rs. 217.60 Crore and additional facilities is Rs. 223.47 Crore , Original loan is rapayable in 42 quarterly installments of Rs. 5.18 Crore each commencing from six months from the scheduled commercial operation date (SCOD)i.e. from January,01,2019. New loan of Rs.223.28 crore is repayable in 60 quarterly installments starting from 12 months after SCOD i.e. from July 01,2019.

PTC India Financial Services Limited

a) Total sanctioned facilities is of Rs. 128.11 Crores out of which original loan was Rs. 63.20 Crore and additional facilities is Rs. 64.91 Crore , Original loan is rapayable in 42 quarterly installments of Rs. 1.50 Crore each comemncing from six months from the scheduled commercial operation date (SCOD)i.e. from January,01,2019. New loan of Rs. 64.91 crore is repayable in 60 quarterly installments starting from 12 months after SCOD i.e. from July 01,2019.

	No. of Installments	Amount of installment	Interest payment dates
Power Finance Corporation			
Existing Facility	42	51,809,524	15th after every quarter
Additional Facility	60	Variable	15th after every quarter
PTC Financial Services India Limited			
Existing Facility	42	15,047,620	15th after every quarter
Additional Facility	60	Variable	15th after every quarter
IDBI Bank Limited			
Existing Facility	37	23,809,524	15th after every quarter
Additional Facility	60	Variable	15th after every quarter

Note:

i Moratorium Period for the loan is:

(a) the period of 12 (twelve) months from SCOD for Additional Facilities; and

(b) the period of 6 (six) months from SCOD for Existing Facilities.

ii There is no Moratorium Period for interest.

23 **Other financial liabilities**

See accounting policy in Note 3(m.4,5,6)

	March 31, 2018	31 March 2017
Others		
Retention money from contractors	104,123,338	102,755,197
	104,123,338	**102,755,197**

Note:

Refer Note 30.C.2 for Fair Value Disclosures

24 **Non Current Provisions**

See accounting policy in Note 3(h)

	March 31, 2018	31 March 2017
Other provisions		
Provision for site restoration and Environment costs	37,400,000	37,400,000
Provision for onerous contract	-	-
Provision for litigations	-	-
	37,400,000	**37,400,000**

25 **Net Employee Benefit Liabilities**

See accounting policy in Note 3(l)

See actuarial valuation table in Note 38	March 31, 2018	31 March 2017
Provision for employee benefits		
Gratuity Payable (Non Current)	2,120,882	316,536
Leave Entitlement (Non Current)	310,566	1,901,686
	2,431,448	**2,218,222**

26 Other financial liabilities

See accounting policy in Note 3(m.4,5,6)

	March 31, 2018	31 March 2017
Current maturities of long term debt (See Note i below)	90,666,668	-
Interest on Term Loan Payable	107,949,809	62,863,715
Others		
Expenses payable	3,128,642	3,611,247
Payable for Civil work	-	(658,419)
Payable for Approach Road work	8,506,000	8,506,000
Payable for Electro Mechanical work	39,756,209	-
Payable for Transmission Line work	1,983,265	-
Payable for Consultancy	3,285,105	-
Payable for Rent	2,210,571	-
Salary & reimbursements	1,826,666	1,744,216
Short Term deposits	766,900	766,900
Total	**260,079,835**	**76,833,659**

Note:

i As per the terms of facility agreement with all the lenders moratorium period shall mean , the period of 12 months from the SCOD for additional facilities and the period of 6 months from SCOD for existing facilities , hence installments for existing facilities are payable after 6 months from the date of SCOD accordingly classified as current matutrities of long term debt.

27 Other current liabilities

	March 31, 2018	31 March 2017
Others		
Indirect Taxes Payable	3,065,795	5,122,120
Advance from customer	-	-
TDS and TCS Payable	2,411,615	3,964,909
Total	**5,477,410**	**9,087,029**

28 Net Employee Benefit Liabilities

See accounting policy in Note 3(l)

See actuarial valuation table in Note 35

	March 31, 2018	31 March 2017
Provision for employee benefits		
Gratuity Payable Current	628,905	403,664
Leave Entitlement (Current)	453,003	414,027
Total	**1,081,908**	**817,691**

29 Current Tax Liabilities

See accounting policy in Note 3(j.1)

	March 31, 2018	31 March 2017
Provision for Income Tax	-	19,385,000
(See Note: 32.iii)		-
	-	**19,385,000**

30 Financial instruments - Fair values and risk management

D. **Financial risk management objectives and policies**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's principal financial liabilities, comprise borrowings and liability for expenses and works. The main purpose of these financial liabilities is to finance the Company's project.

i. Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the risk management policies. The committee reports regularly to the board of directors on its activities.

The Risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or project related contract, leading to a financial loss. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company manages its credit risk by obtaining bank guarantee or any other form of security from the counterparty as per contractual terms and conditions.

Movements in the allowance for impairment in respect of amounts receivable from contractors

The movement in the allowance for impairment in respect of receivables from contractors is as follows:

	31-Mar-18	31-Mar-17
Balance at 1 April		-
Amounts written off		-
Net re-measurement of loss allowance	-	138,526,655
Balance at 31 March	**-**	**138,526,655**

Amount receivable worth Rs. 124,838,360 recognized as impairment loss allowance during 2016-17 is still subject to enforcement activity.

The significant changes that contributed to the recognition of impairment loss allowance in the carrying value of amounts receivable from contractors during 2016-17 are given in Note 8.1 (ii) and (iii).

Cash and cash equivalents

The Company holds cash and cash equivalents of INR 1,67,47,704 at 31 March 2018 (31 March 2017: INR 61,64,693). The cash and cash equivalents are held with banks, which is rated A1 and A1+ (positive) based on ICRA ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents as used for other financial instruments.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and does not include contractual interest payments.

31-Mar-18

	Carrying amount	6 months or	6-12 months	1-2 years	2-5 years	More than 5
Secured bank loans	4,686,469,616		90,666,668	534,327,572	1,774,643,616	2,286,831,760
Interest accrued but not due on	107,949,809	107,949,809	-			
Expenses payable	3,128,642	3,128,642	-		-	
Salary & reimbursement	1,826,666	1,826,666	-	-	-	
Deposits from contractors	-	-	-	-	-	
Retention money from contractors	104,123,338	-	-	55,481,811	48,641,526	
Total	**4,903,498,070**	**112,905,116**	**90,666,668**	**589,809,383**	**1,823,285,142**	**2,286,831,760**

31-Mar-17

	Carrying amount	6 months or	6-12 months	1-2 years	2-5 years	More than 5
Secured bank loans	3,604,073,065	-	-	87,832,200	1,053,986,394	2,462,254,471
Interest accrued but not due on	62,863,715	62,863,715	-	-	-	-
Expenses payable	14,321,044	4,590,715	9,730,329	-		
Salary & reimbursement	1,744,216	1,744,216	-	-	-	-
Deposits from contractors	766,900	-	-	-	-	
Retention money from contractors	102,755,197	-	-	51,377,598	51,377,598	
Total	**3,786,524,137**	**69,198,646**	**9,730,329**	**139,209,798**	**1,105,363,993**	**2,462,254,471**

E. **Financing Arrangements:**

The Company has access to the following undrawn borrowing facilities at the end of the reporting period subject to fulfillment of terms and conditions of sanction:

	31-Mar-18	31-Mar-17
Floating rate		
Remaining undrawn Secured Loan	2,913,330,384	3,995,727,000
Fixed rate		
Non-Fund Assistance (Bank Guarantee)	52,000,000	52,000,000
Letter of Credit (Sub Limit)	206,405,808	

Note:

As disclosed in the Note 22 the Company has a secured bank loan that contains a loan covenant that a future breach of specified loan covenants may require the Company to repay the loan earlier than indicated in the above table. In addition, upon the occurrence of an Event of Default, at any time thereafter while such default is continuing, the loan can be converted, whether then due or not, into fully paid-up Equity Shares of the Company, at market value or book value or at par, whichever is lower in the manner, considered necessary/appropriate (including under the framework of the Strategic Debt Restructuring Scheme issued by the RBI on June 8, 2015, as amended from time to time. Under the Facility Agreement, the covenants are monitored on a regular basis by the Company and regularly reported to management.

iv Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currencies of the Company. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's Project related Plant and Equipment procurement activities. The functional currency for the Company is INR. The Company has not entered into any forward contracts or derivatives to hedge or mitigate the currency risk.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

	31-Mar-18		31-Mar-17	
	USD	**EURO**	**USD**	**EURO**
Capital Commitments (Unrecognized)	236,298	7,411,098	-	11,150,000
Contingent Liabilities (Unrecognized)	428,477	166,323	148,315	57,572

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company does not have any policy and has not entered into any financial instruments to mitigate the risk that may arise due to changes in the interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	31-Mar-18	31-Mar-17
Fixed rate instruments		
Financial liabilities	-	-
	31-Mar-18	**31-Mar-17**
Variable rate instruments		
Financial liabilities	4,686,469,616	3,604,073,065

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Finance Cost (Capitalized)		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31-Mar-18				
Variable rate instruments	38,261,091	(38,261,091)	-	-
31-Mar-17				
Variable rate instruments	33,899,266	(33,899,266)	-	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market

Other Market Price Risks

The Company is exposed to equity price risk, which arises from Mutual Funds measured at fair value through profit or loss temporarily held by investment of surplus funds for the purpose of reduction in the overall cost of borrowing. The management monitors the proportion of Mutual Funds in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board.

Price Sensitivity of financial instruments valued through profit or loss

All of the Company's listed Mutual Funds are listed on the Bombay Stock Exchange (BSE) or the National Stock Exchange in India. Sensitivity is calculated at 2% of market price as on the reporting date.

	Cost	**Market Value**	**Market Price**		**Sensitivity**	
			2% increase	**2% decrease**	**2% increase**	**2% decrease**
31.03.2018						
270107.744 units of Union Liquid Funds	459,161,173	466,174,202	475,497,686	456,850,718	9,323,484	(9,323,484)
31.03.2017						
Nil	-	-	-	-	-	-

31 **Leases**

See accounting policy in Note 3(g)

Leases as lessee

The Company has taken on lease offices and plant facilities under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated periodically to reflect market rentals. Some leases provide for additional rent payments that are based on changes in specified local price indices.

The leases were entered into many years ago as combined leases of land and buildings. The rent paid to the landlord is adjusted to market rentals at regular intervals, and the Company does not have an interest in the residual value of the land and building. As a result, it was determined that substantially all the risks and rewards of the land and building are with the landlord and therefore the land and building elements are classified as operating leases.

32 **Contingent liabilities and commitments**

(to the extent not provided for)

A. **Contingent liabilities**

Claims against the Company not acknowledged as debts

	March 31, 2018		March 31, 2017	
	INR	**FC**	**INR**	**FC**
Claims by erstwhile Electro Mechanical				
(a)INR	227,561,367	-	250,725,228	-
(b)EURO	13,435,572	166,323	3,986,723	57,572
(c)USD	27,923,846	428,477	9,616,537	148,315
(a)+(b)+(c)	**268,920,785**	**-**	**264,328,488**	-
Claims by erstwhile Civil Contractor (ii)	129,766,245	-	129,766,245	-
	398,687,030	-	**394,094,733**	-

Notes:

i. Claim against the Company comprises suspension and damages claim by erstwhile Electro Mechanical Contractor M/s. Voith Hydro Private Limited. The dispute is presently under arbitration. Moreover, the Company has given advance to the said Contractor which has been reduced from the gross claim amount (Refer Note 8.1), in pursuance of Contractual terms.

ii. Claim against the Company comprises claim related to idle time by erstwhile Civil Contractor M/s. SEW Infrastructures Limited. The issue is presently under litigation in High Court. However the company is contesting the demand by counter claim on the contractor for breach of settlement agreement.

B. Guarantee given by Company's Banker in favour of

Particulars	March 31, 2018	March 31, 2017
Power Grid Corporation of India	48,000,000	48,000,000
Power Grid Corporation of India	100,000,000	-
The President of India acting through the Deputy Commissioner of Customs, Kolkata	10,000,000	-
	158,000,000	**48,000,000**

i The performance bank guarantee has been issued by IDBI Bank at the request of the Company in favour of Power Grid Corporation of India Limited (PGCIL). The terms of the contract contain a minimum compensation payment to PGCIL in the event of default for an amount which is limited to a maximum of Rs. 48,000,000. The guarantee has been given in pursuance of agreement as a Long Term Transmission Customer with PGCIL. The last date of lodgement of claim is 31 March 2019.

ii Another performance bank guarantee has been issued by RBL Bank Limited at the request of the Company in favour of Power Grid Corporation of India Limited (PGCIL). The terms of agreement provides to compensate PGCIL upto value of contract to be awarded by us to third party contractor for construction of bay in sub-station of PGCIL. In the event of default for an amount which is limited to Rs.10,00,00,000/-. The last date of lodgement of claim is 21 Feb 2019.

iii The performance bank guarantee has been issued by Union Bank of India at the request of the Company in favour of The President of India, acting through Deputy Commissioner of Customs , Kolkata for fulfilment of Import Obligations against import of capital goods for concessional duty under Project Import under Customs Tariff Heading 98.01 for Import of Electro Mechanical Plant and Machinery for initial setting up of project.The last date of lodgemet of claim is 31 March 2021.

C. Commitments (Capital nature)

	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (see Note i)		
For acquisition of PPE		
Civil Work (current)	783,180,547	695,047,377
Electro Mechanical Works (current)(See Note ii)	614,078,277	772,110,740
Transmission line related Services		2,250,000
	1,486,000	4,795,341
Electro Mechanical Works (erstwhile)	118,212,813	-
Penstock Works	414,000,000	414,000,000
Transmission line	87,566,336	
Other Hydro Mechanical Works	120,127,522	-
Pre engineered steel buliding	2,378,495	
TOTAL	**2,141,029,990**	**1,888,203,458**

Notes:

i. As at the reporting dates, the Company is committed to spend under several contracts to purchase items of property, plant and equipment.

ii These commitments are denominated in Euro and USD Refer Note 30.E.(iv)

33 Related Party Transactions

A. Names of Related Parties and description of relationship

Description of Relationship	Names of Related Parties
Holding Company	Sarda Energy & Minerals Limited (SEML)
Fellow subsidiaries	Sarda Energy Limited Sarda Metals and Alloys Limited Chhatisgarh Hydro Power LLP (Controlled by SEML)
Enterprises which excercises significant	Chhatisgarh Investments Limited (CIL)
Related party where interests of the	RR Sarda and Company Earthstahl & Alloys Private Limited Sarda Power and Steel Limited Chhattisgarh Metalliks and Alloys Private Limited Rishabh Mining and Transport Company Private Limited
Directors /Key Managerial Personnel (KMP)	
Chairman	Kamal Kishore Sarda
Non Executive Director	Pankaj Sarda
Executive Director	Parthasarthi Dutta Gupta
Non Executive Director	Padam Kumar Jain
Non Executive Director	Vipula Sarda
Chief Financial Officer	Shilpa Rathod
Company Secretary	Manish Sethi
Non Executive Director	Chittur Krishnan Lakshminarayanan
Non Executive Director	Gajinder Singh Sahni
Nominee Director (PFC)	Gaurishankar Patra

B. Parent and ultimate controlling party

i. During the year ended 31 March 2018 : 4,28,42,040 shares were issued by the Company to Sarda Energy and Minerals Limited. The controlling party of the Company's stake has changed from 62.41% to 65.67%.

ii. The Parent Company along with one of its Associate and Fellow Subsidiary of the Company in their capacity as Promoters has irrevocably and unconditionally declared and undertaken that it shall solely be responsible to make equity contributions without recourse to the lenders and has also acknowledged several other obligations under a Facility Agreement entered with the lenders.

C. Transactions with key management personnel

i. ***Key management personnel compensation***

Transactions during the year	**2017-18**	**2016-17**
Short-term employee benefits	5,693,863	5,636,964
Post-employment defined benefit	157,355	99,481
Leave Salary	4,031	40,360
Share-based payments	-	-
Termination benefits	-	-

Compensation of the Group’s' key managerial personnel includes salaries, allowances and contributions to post-employment defined benefit plan.

Executive officers are also entitled participate in the Parent Company's share option plan.

ii. **Transactions with key management personnel including directors**

During the year under review, the Company had not enetered into any material significant related party transactions that may have potential conflict with the interets of the company. None of the transactions with any of related parties were in conflict with the Company’s interest .

The aggregate value of Company's transactions and outsatnding balances relating to key management personnel and entities over which they have control or significant influence is as follows:

Nature of transaction	**Note**	**Transaction value**		**Balance outstanding**	
		2017-18	**2016-17**	**March 31, 2018**	**March 31, 2017**
Material Purchased		11,517,369	5,142,088	(110,761)	-
Advance against Hydro Mechanical works		25,292,111	-	25,292,111	
Operating Leases as lessee		783,692	664,146	1,315,008	597,731

D. Material transactions with Related Parties

	Holding Company	**Fellow subsidiary**	**Related party which excercises significant influence**	**Related party where significant influence exists**	**Key management personnel of the entity or its parent**	**Other related parties**
Equity Investment including Security Premium	1,071,051,000 (260,500,000)	26,500,000 (195,300,000)	406,000,000 -	- -		- -
Share Application money received during the year (pending for allotment)	- (37,000,000)	- (26,500,000)		- -		- -
Guarantee given on behalf of the Company	- -	- -	1.25 times of BG limit .	- -	To the extent of borrowings	- -
Operating leases as lessee	- -	- -	300,000 (300,000)	783,692 (664,146)		538,788 -
Advance against Hydro Mechanical works	- -					25,292,111
Material Purchases	- (1,507,747)	- -	- -	- -	- -	11,517,369 (5,142,088)
Scrap sale	1,781,683 -	- -	- -			- -
Expenses incurred/Payments made by related party on behalf of the Company	19,974,523 (6,282,016)	158,988 (210,888)	- -	- -	- -	- -
Remuneration and sitting fees paid	- -	- -			5,855,249 (7,779,805)	

Outstanding as on Reporting date

Share Application Money pending for allotment	- (37,000,000)	- (26,500,000)	- -	- -	- -	- -
<u>Payable</u>						
SEML	- -	- -	- -	- -	- -	- -
CIL	- -	- -	270,000		-	
Rishabh Mining and Transport Company Private Limited	- -	-	493,128 -	- -	- -	- -
SMAL	- -	48,893 -	- -	- -	- -	- -
R.R. Sarda and Co	- -	- -	- -	1,315,008.00 (597,731.00)	- -	- -
Guarantee given on behalf of the Company	- -	- -	1.25 times of BG limit . -	To the extent of borrowings	- -	- -
Commitment to invest in the Company	- -	- -	- -	As per shareholder's agreement	- -	- -

Note

i. Figures in brackets represents previous year's figures.

ii. Outstanding balances are to be settled in cash within six months of the reporting date and none of the balances is secured.

34 **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)- Section 22**

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	April 1, 2015
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	-	-	-	-
the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year;	-	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-	-

35 Assets and liabilities relating to employee benefits

See accounting policy in Note 3(l)

For details about the related employee benefit expenses, see Note 5

A. *The Company operates the following post-employment defined benefit plan:*

The Group has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The vesting criteria on retirement is 5 years of service and on leaving service is equal to or more than 5 years of service and vesting condition on death is not applicable. This defined benefit plan expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. Benefit basis is accrued benefits and benefit payments are made on lump sum basis. Maximum limit on benefits under the plan is Rs. 10,00,000. No amendment or curtailment in the plan has occured during the year.

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that 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 complexities involved in the valuation 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

B. The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

	Gratuity		**Leave**	
Actuarial study analysis	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Principal actuarial assumptions				
Discount rate	7.19%	6.75%	7.19%	6.75%
Range of compensation increase				
Attrition rate:				
Age 21 - 44	20%	20%	20%	20%
Age 45 - 59	20%	20%	20%	20%
Expected rate of return on plan assets				
Plan duration				

	Gratuity		Leave	
Actuarial study analysis	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Components of income statement charge				
Current service cost	529,023	453,661	139,588	132,941
Interest cost	148,805	153,704	51,157	54,111
Recognition of past service cost	-	-		
Settlement/curtailment/termination loss	-	-		
Total charged to statement of profit or loss	**677,828**	**607,365**	**190,745**	**187,052**
Total charged to Retained Earnings				
Movements in net liability/(asset)				
Net liability at the beginning of the year	2,305,350	2,025,079	730,563	712,929
Employer contributions	-	-	-	-
Total expense recognised in the statement of profit or loss	677,828	607,365	190,745	187,053
Total expense recognised in the Retained Earnings	-	-		
Total amount recognised in OCI	(238,084)	(327,094)	(119,623)	(169,419)
Net liability at the end of the year	**2,745,094**	**2,305,350**	**801,685**	**730,563**
Reconciliation of benefit obligations				
Obligation at start of the year	2,305,349	2,025,079	730,563	712,928
Current service cost	529,023	453,661	139,588	132,941
Interest cost	148,805	153,704	51,157	54,111
Benefits paid directly by the Group				
Extra payments or expenses/(income)				
Obligation of past service cost				
Actuarial loss	238,084	(327,095)	(119,623)	(169,417)
Defined benefits obligations at the end of the year	**3,221,261**	**2,305,349**	**801,685**	**730,563**
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in demographic assumptions		-		-
Actuarial gain/(loss) due to changes in financial assumptions	(1,394)	67,493	(933)	19,565
Actuarial gain/(loss) on account of experience adjustments	239,478	(394,587)	(118,688)	(188,983)
Total actuarial gain/(loss) recognised in OCI	**238,084**	**(327,094)**	**(119,621)**	**(169,418)**
Total actuarial gain/(loss) recognised in Statement of profit or loss				

C. ***Sensitivity analysis of significant assumptions***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

	Gratuity		Leave	
	31 March 2018		31 March 2018	
Sensitivity of DBO, Service Cost, and P&L Account	**% increase in DBO**	**Liability**	**% increase in DBO**	**Liability**
Discount rate				
+ 1% discount rate	-3.52%	2,652,986	-2.43%	745,016
- 1% discount rate	3.83%	2,885,134	2.64%	783,751
Salary increase				
+1% salary growth	3.24%	2,838,746	1.45%	774,638
-1% salary growth	-3.03%	2,666,560	-1.41%	752,817
Attrition Rate				
+1% salary growth	0.14%	2,753,525	0.12%	764,487
-1% salary growth	-0.15%	2,745,687	-0.13%	762,582
Mortality Rate				
10% Up	0.02%	2,750,457	0.02%	763,690

	Leave	
Sensitivity of DBO, Service Cost, and P&L Account	**31 March 2018**	**31 March 2017**
Discount rate		
+ 1% discount rate	745,016	707,416
- 1% discount rate	783,751	755,660
Salary increase		
+1% salary growth	774,638	744,674
-1% salary growth	752,817	716,818
Attrition Rate		
+1% salary growth	764,487	731,662
-1% salary growth	762,582	729,370
Mortality Rate		
10% Up	763,690	730,713

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

CA AJAY KUMAR
Partner
M. No. 072020

RAIPUR
DATED : 25th May 2018

FOR AND ON BEHALF OF THE BOARD

K.K. Sarda
Chairman
DIN: 00008170

P. S. Duttagupta
Director
DIN: 06639931

Shilpa Rathod
CFO

Manish Sethi
Company Secretary

DATED : 25th May 2018