

# V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

V.C.A. COMPLEX, CIVIL LINES, NAGPUR – 440 001

Ph. No.: (0712) 6641111, Fax: (0712) 6641122

e-mail:info@vksca.com

## INDEPENDENT AUDITOR'S REPORT

To,

**The members of SMS VIDHYUT PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **SMS VIDHYUT PRIVATE LIMITED** ('the Company') which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit & Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

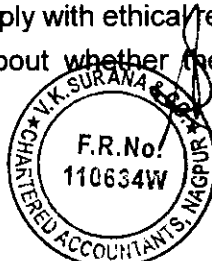
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting principles generally accepted in India.

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 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 financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of financial statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, 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 financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

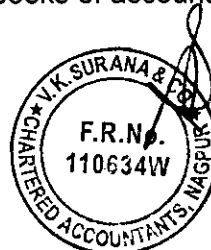
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit 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 purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



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- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting; and
- g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The company did not have any long term contracts including derivatives contracts, which require provision for material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For V. K. Surana & Co.**  
*Chartered Accountants*  
Firm Reg No-110634W



**CA. Sudhir Surana**  
*Partner*

Membership No.043414  
Nagpur, September 05, 2018

**V. K. SURANA & CO.**

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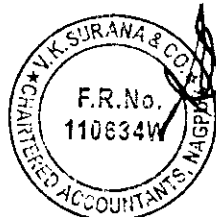
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**Annexure A to the Independent auditor's report referred to in paragraph 1 of even date to the financial statements of SMS VIDHYUT PRIVATE LIMITED for the year ended March 31, 2018:**

- i)
- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
  - c) The company does not have any immovable property except building, against which the conveyance deeds are held in the name of the company.
- ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii) According to the information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the registered maintained u/s 189 of the Companies Act 2013 during the year and accordingly, Paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are no transactions covered under section 185 of the act and the company has not made any investments, granted any loans, and providing guarantees and securities under section 186 of the Companies Act, 2013 and accordingly, Paragraph 3(iv) of the order are not applicable.
- v) The Company has not accepted deposits within the meaning of section 73 and 76 of the act and the companies (acceptance of deposits) rules, 2014 (as amended) during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.



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vii)

- a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Goods & Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanation given to us, no material undisputed arrears of above statutory dues were outstanding as on 31st March, 2018 for a period of more than six months from the date they become payable.

- b) According to the information and explanation given to us, there are no disputed dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, value added tax, which have not been deposited on account of any dispute.

viii)

As per information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. The Company does not have any outstanding loans or borrowings to government or debenture holders at the end of the year.

ix)

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x)

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi)

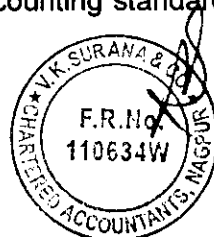
According to the information and explanations given by the management, the managerial remuneration has not been paid / provided and hence the provisions of Section 197 read with Schedule V to the Companies Act are not applicable.

xii)

The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii)

In our opinion and according to the information and explanations given to us transactions with related parties are in compliance with the provisions of section 188 of companies act, 2013 and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, section 177 of the Act is not applicable to the company.



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- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 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.

**For V. K. Surana & Co.**

*Chartered Accountants*

Firm Reg No.110634W



**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, September 05, 2018

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**“Annexure B” referred to in Paragraph 1 of our report of even date to the members of SMS VIDHYUT PRIVATE LIMITED on the Accounts for the year ended 31<sup>st</sup> March 2018.**

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

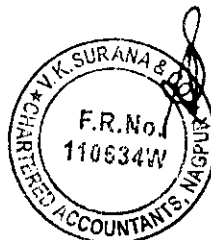
We have audited the internal financial controls over financial reporting of **SMS VIDHYUT PRIVATE LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and 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.



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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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

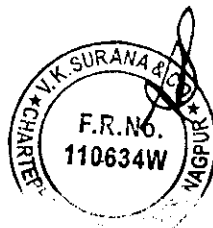
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **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.





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## 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 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634W



A handwritten signature in black ink, appearing to read "Sudhir Surana".

**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, September 05, 2018

	Note No.	31st March 2018 ₹ in Lacs	31st March 2017 ₹ in Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	4,694.71	4,857.20
(b) Capital work in progress	1	-	16.99
(c) Investment property	2	78.82	78.82
(d) Financial assets			
(i) Other financial assets	3	191.67	246.78
(e) Deferred tax assets (net)	4	772.03	828.11
<b>Total Non-current assets</b>		<b>5,737.24</b>	<b>6,027.90</b>
<b>Current assets</b>			
(a) Inventories	5	6.24	6.03
(b) Financial assets			
(i) Trade receivables	6	26.21	43.06
(ii) Cash and cash equivalent	7	8.84	28.33
(iii) Other financial assets	8	5.71	52.21
(c) Current Tax Assets	9	0.38	1.18
(d) Other Current Assets	10	8.84	31.91
<b>Total current assets</b>		<b>56.20</b>	<b>162.71</b>
<b>Total Assets</b>		<b>5,793.44</b>	<b>6,190.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	395.00	395.00
(b) Other Equity	12	(1,273.07)	(922.16)
<b>Total equity</b>		<b>(878.07)</b>	<b>(527.16)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	277.15	4,751.93
(b) Provisions	14	2.23	1.94
<b>Total Non-current liabilities</b>		<b>279.38</b>	<b>4,753.87</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	6,358.62	1,137.49
(ii) Trade payables	16	0.35	0.37
(iii) Other financial liabilities	17	25.85	815.08
(b) Other current liabilities	18	2.96	7.82
(c) Provisions	19	4.37	3.14
<b>Total Current liabilities</b>		<b>6,392</b>	<b>1,963.90</b>
<b>Total Liabilities</b>		<b>6,671.52</b>	<b>6,717.77</b>
<b>Total Equity and Liabilities</b>		<b>5,793.44</b>	<b>6,190.61</b>

Significant Accounting Policies & Additional Information 28

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR V. K. SURANA & CO**

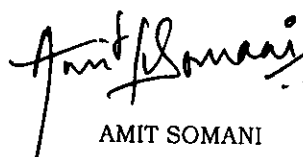
Chartered Accountants

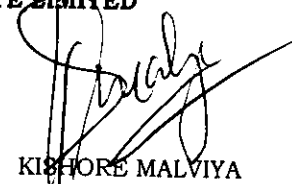
Firm Registration No. : 110634W

CA. SUDHIR SURANA  
Partner (M.No. 043414)  
Nagpur, dated the,  
5th September, 2018



For and on behalf of the Board of Directors of  
**SMS VIDHYUT PRIVATE LIMITED**

  
AMIT SOMANI  
Managing Director  
DIN : 00378635

  
KISHORE MALVIYA  
Director  
DIN : 03272644

**SMS VIDHYUT PRIVATE LIMITED**  
Statement of Profit and Loss for the Year ended 31 March 2018



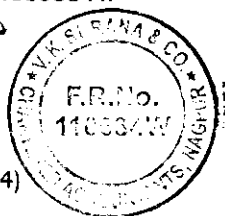
	Note No.	31st March 2018 ₹ in Lacs	31st March 2017 ₹ in Lacs
<b>I Income</b>			
Revenue from operations	20	88.05	221.37
Other income	21	12.47	16.10
<b>Total income</b>		<b>100.52</b>	<b>237.47</b>
<b>II Expenses</b>			
Direct Expenses	22	17.67	47.48
Employee benefits expense	23	43.74	14.78
Finance costs	24	130.58	692.90
Depreciation and amortization expense	25	180.09	343.81
Other expenses	26	16.66	30.50
<b>Total expense</b>		<b>388.74</b>	<b>1,129.48</b>
<b>III Profit/(loss) before exceptional items and tax</b>		<b>(288.21)</b>	<b>(892.02)</b>
<b>IV Exceptional item</b>	27	-	1,053.87
<b>V Profit/(loss) before tax</b>		<b>(288.21)</b>	<b>(1,945.89)</b>
<b>VI Tax Expense:</b>			
Current Tax		-	-
Deferred tax		55.49	(666.66)
<b>Total Tax expense</b>		<b>55.49</b>	<b>(666.66)</b>
<b>VII Profit/(Loss) for the year</b>		<b>(343.70)</b>	<b>(1,279.23)</b>
<b>VIII Other comprehensive income</b>			
<b>Items will not be reclassified to profit or loss in subsequent periods</b>			
i) Remeasurement Gain/(losses) on defined Benefit Plan		2.31	1.11
Income Tax relating to item that will not be classified to Profit or Loss		(0.59)	(0.34)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>1.71</b>	<b>0.76</b>
<b>IX Total comprehensive income for the year</b>		<b>(341.99)</b>	<b>(1,278.46)</b>
Earnings per equity share of ₹10/- each	35		
Basic		(8.70)	(32.39)
Diluted		(8.70)	(32.39)

Significant Accounting Policies & Additional Information 28  
The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR V. K. SURANA & CO**  
Chartered Accountants  
Firm Registration No. :110634W

CA. SUDHIR SURANA  
Partner (M.No. 043414)  
Nagpur, dated the,  
5th September, 2018



For and on behalf of the Board of Directors of  
**SMS VIDHYUT PRIVATE LIMITED**

*Amit Somani*  
AMIT SOMANI  
Managing Director  
DIN : 00378635

*Kishore Malviya*  
KISHORE MALVIYA  
Director  
DIN : 003272644

**SMS Vidhyut Private Limited**  
Cash flow statement for the period ended 31st March 2018



	31st March 2018 ₹ in Lacs	31st March 2018 ₹ in Lacs
Profit before tax	(288.21)	(1,945.89)
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation & Amortisation Expenses	180.09	343.81
Exceptional Items Non Cash	-	1,057.01
Other Non Cash Adjustments in Depreciation & Amortisation	-	41.56
Finance Cost	130.58	692.90
Remeasurement of net Defined Benefit Plan	2.31	1.11
Subsidy Amortised during the year	(8.93)	(8.93)
Interest income	(3.54)	(4.58)
<b>Operating profit before working capital changes</b>	<b>12.30</b>	<b>176.99</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade payables	(0.02)	(2.69)
Increase/(decrease) in other non Current Financial Liabilities	-	(53.10)
Increase/(decrease) in other Current Financial Liabilities	(789.24)	477.55
Increase/(decrease) in other Current Liabilities	(4.86)	(1.82)
Increase/(decrease) in Provision	1.52	(2.99)
Decrease/(increase) in trade receivables	16.86	21.25
Decrease / (increase) in Non Current Financial Assets	55.11	6.39
Decrease / (increase) in Current Tax Asset	-	-
Decrease / (increase) in other Current Financial Assets	46.50	(48.83)
Decrease / (increase) in other current assets	23.07	2.76
Decrease / (increase) in Inventory	(0.21)	8.40
<b>Cash generated from / (used in) operations</b>	<b>(638.99)</b>	<b>583.92</b>
Direct Tax Paid/Adjusted	0.80	(1.78)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(638.19)</b>	<b>582.13</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(0.62)	(34.76)
Interest received	3.54	4.58
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>2.93</b>	<b>(30.18)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	195.00
Redemption of preference Shares	-	(195.00)
Repayment of share Premium	-	(3,705.00)
Proceeds/(Repayment) from long-term borrowings	(4,474.79)	2,940.57
Proceeds/(Repayment) of short-term borrowings	5,221.13	920.95
Interest paid	(113.62)	(657.33)
Other Financing Cost	(16.96)	(35.58)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>615.77</b>	<b>(536.39)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(19.49)	15.56
Cash and cash equivalents at the beginning of the year	28.33	12.76
<b>Cash and cash equivalents at the end of the year</b>	<b>8.84</b>	<b>28.33</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR V. K. SURANA & CO**  
Chartered Accountants  
Firm Registration No. :110634W

CA. SUDHIR SURANA  
Partner (M.No. 043414)  
Nagpur, dated the,  
5th September, 2018



For and on behalf of the Board of Directors of  
**SMS VIDHYUT PRIVATE LIMITED**

*Amit Somani*  
AMIT SOMANI  
Managing Director  
DIN : 00378635

*Kishore Malviya*  
KISHORE MALVIYA  
Director  
DIN : 03272644

**SMS VIDHYUT PRIVATE LIMITED**

**Statement Of Changes In Equity For The Year Ended 31 March 2018**

₹ in Lacs  
Amount

**Equity Share Capital**

As at 1st April, 2016	200.00
Changes in Equity Share Capital	195.00
As at 31st March, 2017	395.00
Changes in Equity Share Capital	-
As at 31st March, 2018	395.00

**Other Equity**

Particulars	Reserve and Surplus			Other Comprehensive Income	Total
	Securities Premium	Capital Subsidy	Retained Earnings		
Balance as at 1st April, 2016	597.00	230.78	(462.55)		365.23
Profit/(loss) for the year	-	-	(1,279.23)		(1,279.23)
Remeasurement of defined Benefit Plan	-	-		0.76	0.76
Transferred to Other Income	-	(8.93)	-		(8.93)
Balance as at 31st March, 2017	597.00	221.85	(1,741.77)	0.76	(922.16)
Balance as at 1st April, 2017	597.00	221.85	(1,741.77)	0.76	(922.16)
Profit/(loss) for the year	-	-	(343.70)		(343.70)
Remeasurement of defined Benefit Plan	-	-		1.71	1.71
Transferred to Other Income	-	(8.93)	-		(8.93)
Balance as at 31st March, 2018	597.00	212.92	(2,085.47)	2.48	(1,273.07)

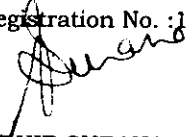
The accompanying notes are an integral part of the financial statements.

As per our report of even date

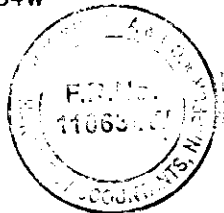
**FOR V. K. SURANA & CO**

Chartered Accountants

Firm Registration No. : 110634W

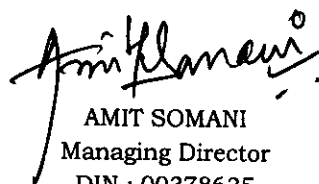


CA. SUDHIR SURANA  
Partner (M.No. 043414)  
Nagpur, dated the,  
5th September, 2018

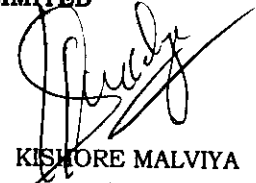


For and on behalf of the Board of Directors of

**SMS VIDHYUT PRIVATE LIMITED**



AMIT SOMANI  
Managing Director  
DIN : 00378635



KISHORE MALVIYA  
Director  
DIN : 03272644

SMS Vidhyut private Limited

Notes to financial statements for the period ended 31st March 2018

1) Property, plant and equipment

i) Tangible Assets & Capital Work-in-Progress



₹ in Lacs

Particulars	Building	Plant and Equipment	Furniture & Fixture	Office Equipments	Vehicle	Computers	Total	Capital Work in Progress
<b>Gross Carrying amount</b>								
At 1st April 2016	-	5,430.09	1.19	6.91	20.71	4.05	5,462.95	-
Additions	-	17.77	-	-	-	-	17.77	28.75
Disposals/ Transfer	-	-	-	-	-	-	-	11.76
<b>At 31st March 2017</b>	-	5,447.86	1.19	6.91	20.71	4.05	5,480.73	16.99
At 1st April 2017	-	5,447.86	1.19	6.91	20.71	4.05	5,480.73	16.99
Additions	17.47	-	-	0.10	-	0.04	17.61	0.48
Disposals/ Transfer	-	-	-	-	-	-	-	17.47
<b>At 31st March 2018</b>	17.47	5,447.86	1.19	7.01	20.71	4.09	5,498.33	-
<b>Accumulated Depreciation</b>								
At 1st April 2016	-	412.08	0.80	6.85	19.62	3.99	443.35	-
Charge for the year	-	179.31	0.18	0.01	0.65	0.02	180.18	-
Disposals	-	-	-	-	-	-	-	-
<b>At 31st March 2017</b>	-	591.40	0.99	6.87	20.26	4.01	623.53	-
At 1st April 2017	-	591.40	0.99	6.87	20.26	4.01	623.53	-
Charge for the year	0.31	179.43	0.18	0.03	0.11	0.03	180.09	-
Disposals	-	-	-	-	-	-	-	-
<b>At 31st March 2018</b>	0.31	770.83	1.17	6.89	20.37	4.04	803.62	-
<b>Net Carrying Amount</b>								
At 31st March 2017	-	4,856.46	0.21	0.05	0.44	0.04	4,857.20	16.99
At 31st March 2018	17.16	4,677.03	0.02	0.11	0.33	0.05	4,694.71	-





**SMS VIDHYUT PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2018

	₹ in Lacs
<b>2) Investment Property</b>	
<b>Land</b>	
Gross carrying amount as on 31st April, 2016	78.82
Additions	-
Disposals	-
<b>Gross carrying amount as on 31st March, 2017</b>	<b>78.82</b>
Additions	-
Disposals	-
<b>Gross carrying amount as on 31st March, 2018</b>	<b>78.82</b>
<b>Accumulated depreciation as on 31st March, 2016</b>	<b>-</b>
Addition	
Disposals	
<b>Accumulated depreciation as on 31st March, 2017</b>	<b>-</b>
Addition	
Disposals	
<b>Accumulated depreciation as on 31st March, 2018</b>	<b>-</b>
<b>Net carrying amount as at 31st March, 2017</b>	<b>78.82</b>
<b>Net carrying amount as at 31st March, 2018</b>	<b>78.82</b>

	31-Mar-18 ₹ in Lacs	31-Mar-17 ₹ in Lacs
<b>3) Other Non Current Financial Assets:-</b>		
a) <u>Other bank balances :-</u>		
FDR with original maturity for more than 12 months (The FDR is kept as a margin money with Bank.)	-	54.21
Total (a) :	-	54.21
b) <u>Security deposit :-</u>		
Unsecured, considered good	8.67	8.67
Total (b) :	8.67	8.67
c) <u>Others :-</u>		
<u>Unsecured, considered good :-</u>		
Claim from MSEDCL (33 KVA Line RBC) (Refer Note 43)	131.02	131.02
Claim From MSEDCL (33 KVA Line LBC) (Refer Note 43)	49.88	49.88
Water Cess Receivable (RBC)	1.59	1.17
Water Cess Receivable (LBC)	0.52	1.84
Total (b) :	183.00	183.90
Total (a+b+c) :	191.67	246.78

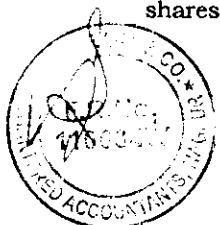
Deferred Tax Assets/ (Liabilities)	Recognised in			As at 31st March, 2018
	As at 31st March, 2017	Statement of Profit & Loss	Recognised in OCI	
WDV of Fixed Assets	3.95	(3.35)	-	0.59
Unabsorbed Losses	817.49	(62.20)	-	755.29
Statutory Provisions	0.79	10.07	(0.59)	10.26
	822.22	(55.49)	(0.59)	766.14
<b>Add:</b>				
MAT credit receivable	5.89			5.89
	828.11	(55.49)	(0.59)	772.03



**SMS VIDHYUT PRIVATE LIMITED**
**Notes to financial statements for the year ended 31 March 2018**

Deferred Tax Assets/ (Liabilities)	As at 31st March, 2016	Recognised in Statement of Profit & Loss	Recognised in OCI	As at 31st March, 2017
WDV of Fixed Assets	(58.81)	62.76	-	3.95
Unabsorbed Losses	214.24	603.25	-	817.49
Statutory Provisions	0.47	0.66	(0.34)	0.79
	155.90	666.66	(0.34)	822.22
<b>Add:</b>				
MAT credit receivable	5.89			5.89
	161.79	666.66	(0.34)	828.11

	31-Mar-18 ₹ in Lacs	31-Mar-17 ₹ in Lacs
<b>5) Inventories :-</b> (At Cost or Net Realisable Value, Which ever is lower as Valued & Certified By Management)		
Capital Stock	6.03	6.03
Consumable Items	0.21	-
Total :	6.24	6.03
<b>6) Trade receivables :-</b> Unsecured, considered good	26.21	43.06
Total :	26.205	43.06
<b>7) Cash and cash equivalents :-</b> <u>Balances with Banks :</u> In Current Account	8.84	28.33
Total :	8.84	28.33
<b>8) Other Current Financial Assets :-</b> Advance to Staff Interest accrued on deposits TDS Reimbursable (NBFC) Other Receivable from suppliers	- 0.70 4.59 0.42	0.29 0.79 48.77 2.36
Total :	5.71	52.21
<b>9) Other Current Tax assets :-</b> Income Tax refund Receivable	0.38	1.18
Total :	0.38	1.18
<b>10) Other Current assets :-</b> Prepaid Expenses Vat Receivable	2.72 6.12	3.00 28.90
Total :	8.84	31.91
<b>11) Equity Share Capital :-</b> <u>Authorised :</u> 40,00,000 (31st March 2017:40,00,000) equity shares of face value ₹ 10/- each	400.00	400.00
<u>Issued, Subscribed and Paid Up :</u> 39,50,000 (31st March 2017:39,50,000) equity shares of face value ₹ 10/- each fully paid	395.00	395.00
Total :	395.00	395.00





**SMS VIDHYUT PRIVATE LIMITED**
**Notes to financial statements for the year ended 31 March 2018**
**Notes :**
**a) Terms/rights attached to equity shares :**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amount. The distribution will be in proportion to the no. of equity shares held by the shareholder.

**b) Reconciliation of the number of shares and the amount outstanding at the beginning and end of the year :**

	31-3-2018 No.of Shares	31-3-2018 ₹ in Lacs	31-3-2017 No.of Shares	31-3-2017 ₹ in Lacs
At the beginning of the year	39,50,000	395.00	20,00,000	200.00
Add : Issued during the year	-	-	19,50,000	195.00
Outstanding at the end of the year	39,50,000	395.00	39,50,000	395.00

**c) The details of the Shareholders holding more than 5% of shares in the company are :**

	31-Mar-18		31-Mar-17	
	No.of Shares	% holding in the class	No.of Shares	% holding in the class
(i) SMS Limited	39,50,000	100.00%	39,50,000	100.00%

**d) The details of the Shares held by Holding Company :**

	31-Mar-18		31-Mar-17	
	No.of Shares	% holding in the class	No.of Shares	% holding in the class
(i) SMS Limited	39,50,000	100.00%	39,50,000	100.00%

**12) Other Equity :-**
**(i) Securities Premium Account :-**

Balance as per last Balance Sheet

	31-Mar-18 ₹ in Lacs	31-Mar-17 ₹ in Lacs
Balance as per last Balance Sheet	597.00	597.00

**ii) Capital Subsidy :-**

Balance as per last Balance Sheet

Less : Amount Utilised during the year

Transferred to other Income

	31-Mar-18 ₹ in Lacs	31-Mar-17 ₹ in Lacs
Balance as per last Balance Sheet	221.85	230.78
Less : Amount Utilised during the year	(8.93)	(8.93)
<b>Total :</b>	<b>212.92</b>	<b>221.85</b>

**iii) Retained Earning**

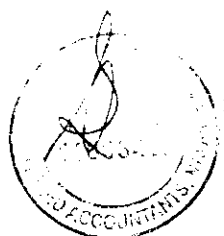
Balance as per last Balance Sheet

Add : Profit for the year

Other Comprehensive Income

**Net surplus in the statement of profit and loss**
**Total Other Equity**

	31-Mar-18 ₹ in Lacs	31-Mar-17 ₹ in Lacs
Balance as per last Balance Sheet	(1,741.01)	(462.55)
Add : Profit for the year	(343.70)	(1,279.23)
Other Comprehensive Income	1.71	0.76
<b>Net surplus in the statement of profit and loss</b>	<b>(2,082.99)</b>	<b>(1,741.01)</b>
<b>Total Other Equity</b>	<b>(1,273.07)</b>	<b>(922.16)</b>



**SMS VIDHYUT PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2018

	31-Mar-18	31-Mar-17
	₹ in Lacs	₹ in Lacs
<b>13) Non-Current Borrowings :</b>		
(i) <u>Secured</u>		
(a) <u>Term Loans from Banks</u>		
1) Bank of Baroda (RBC)	-	32.38
2) Bank of Baroda (LBC)	-	128.05
3) Bank of India (RBC)	-	49.02
4) Bank of India (LBC)	-	170.15
5) Bank of Maharashtra (RBC)	-	4.81
6) Bank of Maharashtra (LBC)	-	-
Total (a) :	-	384.41
b) <u>Term Loans from Others</u>		
1) Indiabulls Housing Finance I	-	2,045.73
2) Indiabulls Housing Finance II	-	2,068.80
Total (b) :	-	4,114.54
Total (a+b) :	-	4,498.94

**Note :-****Additional Information to Secured Long Term Borrowings :**

The Long Term portion of Term loans are shown under long term borrowings and the current maturities of long term borrowings are shown under current liabilities as per the disclosure requirement of Schedule III.

**Details of Securities and Terms of Repayments****I. Secured****Term Loans****(A) From Banks****(1) Bank of Baroda(RBC) .- Note No. 13.I.(A) (1)**

Registered mortgage of rights, title and interest in the project assets & hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter and corporate guarantee of SMS Limited, the parent company. The lenders are also having pari passu charge by way of pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly instalments of Rs. 4,62,521/-. The rate of interest is 12.65% . Company has made repayment of term loan during the financial year 17-18.

**(2) Bank of Baroda(LBC) .- Note No. 13.I.(A) (2)**

Registered mortgage of rights, title and interest in the project assets & hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter and corporate guarantee of SMS Limited, the parent company. The lenders are also having pari passu charge by way of pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly instalments of Rs. 10,67,053/-. The rate of interest is 12.65% p.a. The Company has made repayment of term loan during the financial year 17-18.

**(3) Bank of India(RBC) .- Note No. 13.I.(A) (3)**

Registered mortgage of rights; title and interest in the project assets & hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter and corporate guarantee of SMS Limited, the parent company. The lenders are also having pari passu charge by way of pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly instalments of Rs. 630,000 /-. The rate of interest is 14.25% p.a. The Company has made repayment of loan during the financial year 17-18.



**SMS VIDHYUT PRIVATE LIMITED**
**Notes to financial statements for the year ended 31 March 2018**
**(4) Bank of India(LBC) .- Note No. 13.I.(A) (4)**

Registered mortgage of rights, title and interest in project assets including hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escrow Account with Bank of Baroda. Also secured by personal guarantees of promoter directors and corporate guarantee of SMS Limited, the parent company. Also having pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly instalments of Rs. 15,00,000- from June 2014. The rate of interest is 14.25% p.a. The Company has made repayment of the loan during last financial year 17-18

**(5) Bank of Maharashtra (RBC) - Note No. 13.I.(A) (5)**

Registered mortgage of land and building / leasehold rights of the project on pari passu basis with other term loan lenders & hypothecation of movable fixed assets and plant and machinery on pari passu basis with other term other term loan lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter directors and corporate guarantee of SMS Limited, the parent company. Also having pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly instalments of Rs. 6,84,375 /-. The rate of interest is 14.25% p.a. The Company has made repayment of the loan during the financial year 17-18.

**(6) Bank of Maharashtra (LBC) - Note No. 13.I.(A) (6)**

Registered mortgage of land and building / leasehold rights of the project on pari passu basis with other term loan lenders & hypothecation of movable fixed assets and plant and machinery on pari passu basis with other term other term loan lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter directors and corporate guarantee of SMS Limited, the parent company. Also having pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly instalments of Rs. 17,15,625 /-. The rate of interest is 14.25% p.a. The Company has made repayment of the loan during the financial year 17-18.

**(B) From Others**
**(1) Indiabulls Housing Finance Ltd. Note No. 13.I.(B) (1)**

Registered mortgage of land situated at Chandrapur, Kh No 130/1, 130/2, 130/3, 132, 133,134/1, 135, 136 Village Ghatkul & Kh No 8 Village Tok Tehsil Pomburna & Kh No 43, 45 Village Borghat, Mal, & Kh No 89 Village Chak Dagadtala Tehsil Mul, District-Chandrapur Chandrapur 442401. Repayable Monthly instalment of instalments of Rs. 45,47,491 /-. The rate of interest is 13 % p.a. The Company has made repayment of loan during the financial year 17-18.

**(2) Indiabulls Housing Finance Ltd. Note No. 13.I.(B) (2)**

Registered mortgage of land situated at Chandrapur, Kh No 130/1, 130/2, 130/3, 132, 133,134/1, 135, 136 Village Ghatkul & Kh No 8 Village Tok Tehsil Pomburna & Kh No 43, 45 Village Borghat, Mal, & Kh No 89 Village Chak Dagadtala Tehsil Mul, District-Chandrapur Chandrapur 442401. Repayable Monthly instalment of instalments of Rs. 45,47,491 /-. The rate of interest is 13 % p.a. The Company has made repayment of loan during financial year 17-18

	31-Mar-18	31-Mar-17
	₹ in Lacs	₹ in Lacs

**(ii) Unsecured**
**a) From Body Corporate :**

Femina Industrial Finance Pvt Ltd  
Riaan Ventures Pvt Ltd.

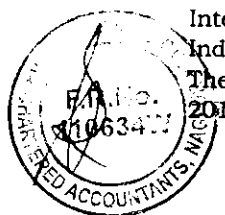
	17.83	16.77
	259.32	236.22
Total :	277.15	252.99
Total (i+ii) :	277.15	4,751.93

**Additional Information to Unsecured Long Term Borrowings :**
**Unsecured**

Loan from Riaan Ventures Pvt Ltd & Femina Industrial Finance Ltd does not have specific repayment terms.

Interest has been provided on the loan @ of 8% from Riaan ventures Pvt Ltd and @ 7 % on Femina Industrial Finance Pvt Ltd. for FY 17-18.

There are no claims against the company for default of loan repayment or interest payment during FY 2017-18.



**SMS VIDHYUT PRIVATE LIMITED**
**Notes to financial statements for the year ended 31 March 2018**

	31-Mar-18	31-Mar-17
	₹ in Lacs	₹ in Lacs

**14) Non-Current Provisions :-**

Provision for Gratuity

	2.23	1.94
Total :	2.23	1.94

**15) Current Borrowings :-**
**(a) Loan From related Parties (Unsecured)**

SMS Limited

	6,358.62	1,137.49
Total :	6,358.62	1,137.49

**(b) Optionally Convertible Preference Shares :-**

SAN Finance Corporation

Face Value

	31-3-2018	31-3-2018	31-3-2017	31-3-2017
	No.of Shares	₹ in Lacs	No.of Shares	₹ in Lacs
At the beginning of the year	-	-	19.50	195.00
Add : Issued during the year	-	-	-	-
Less : Redeemed during the year	-	-	19.50	195.00
Outstanding at the end of the year	-	-	-	-

Securities Premium

	31-Mar-18	31-Mar-17
	₹ in Lacs	₹ in Lacs
At the beginning of the year	-	3,705.00
Add : Received during the year	-	-
Less : Repaid during the year	-	3,705.00
Outstanding at the end of the year	-	-

During F.Y 2016-17 company has Redeemed 19,50,000 Optionally Convertible Non Cumulative Redeemable Preference shares bearing interest @ 12% at par. The Preference shares are redeemed at its issue price which was, with face value of Rs 10/- per share @ premium of Rs 190/- per share. The total amount paid for redemption is Rs. 39,00,00,000/- including share premium of Rs. 37,05,00,000/-.

	31-Mar-18	31-Mar-17
	₹ in Lacs	₹ in Lacs

**16) Trade Payables :**

Due to Micro &amp; Small Enterprises

Others

	-	-
	0.35	0.37
Total :	0.35	0.37

**Note :** The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Consequently the amount paid/payable to the parties during the year is Rs. Nil.

**17) Other Current Financial Liabilities :**

Salary &amp; Reimbursements

Bonus Payable

Current maturities of long-term borrowings

Punjab National Bank (Current A/c)

Creditors for Capital Goods

	2.86	1.33
	1.35	0.27
	-	743.60
	21.23	-
	0.41	69.88
Total :	25.85	815.08

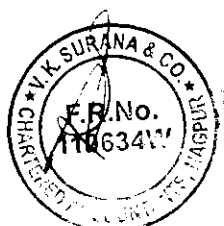
**18) Other Current Liabilities :**

Statutory Dues Payable

	2.96	7.82
Total :	2.96	7.82

**SMS Vidhyut Private Limited**  
**Notes to financial statements for the period ended 31st March 2018**

	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>19) Current Provisions :</b>		
Provision for Expenses	2.54	1.99
Provision for Leave Encashment	1.02	0.29
Provision for Gratuity	0.06	0.05
Audit fees Payable	0.74	0.81
<b>Total :</b>	<b>4.37</b>	<b>3.14</b>
<b>20) Revenue from Operations</b>		
Sale of Electricity	88.05	221.37
<b>Total :</b>	<b>88.05</b>	<b>221.37</b>
<b>21) Other Income</b>		
<b>Interest income on :-</b>		
Bank deposits	0.41	3.66
MSEB Deposit	0.77	0.89
Income Tax Refund	0.05	0.03
Other Interest Income	2.31	-
Others Misc. Income	-	2.59
Recoupment of subsidy Received	8.93	8.93
<b>Total :</b>	<b>12.47</b>	<b>16.10</b>
<b>22) Direct Expenses</b>		
Plant Operation Maintenance Expenses	7.83	34.79
Electricity Charges	9.84	12.69
<b>Total :</b>	<b>17.67</b>	<b>47.48</b>
<b>23) Employee Benefit Expenses</b>		
Salaries & wages	32.41	12.07
Contribution to provident and other funds	4.40	-
Bonus	3.29	0.58
Provision for Leave Encashment	1.02	0.29
Gratuity	2.60	1.85
Workmen and Staff Welfare Expenses	0.02	-
<b>Total :</b>	<b>43.74</b>	<b>14.78</b>
<b>24) Finance Costs</b>		
Interest on Term Loan	94.31	631.81
Interest on Unsecured Loan	19.31	25.52
Bank charges & commission	16.96	35.58
<b>Total :</b>	<b>130.58</b>	<b>692.90</b>
<b>25) Depreciation and Amortization Expenses</b>		
Depreciation of Tangible Assets	180.09	180.18
Amortization of Intangible Assets	-	163.64
<b>Total :</b>	<b>180.09</b>	<b>343.81</b>





**SMS Vidhyut Private Limited**  
**Notes to financial statements for the period ended 31st March 2018**

	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>

**26) Other Expenses**

Insurance	3.94	4.02
Petrol & Diesel Expenses	3.67	6.06
Office and Administrative Expenses	2.69	2.72
Audit Fees	0.96	0.75
Repair & Maintenance	0.85	1.13
Mess & Fooding Expenses	0.77	1.15
Transportation Charges	0.64	-
Professional / Consultancy Charges	0.63	1.43
Accounts Written. Off	0.48	(1.79)
Rates & Taxes	0.43	-
Conveyance Charges	0.28	0.58
ROC Fees	0.23	0.23
Electricity Expenses	0.20	0.82
Computer Maintenance Charges	0.19	-
Telephone Charges	0.15	0.17
Interest on late payment of taxes	0.12	0.45
Legal Expenses	0.12	12.14
Travelling & Tour Fare Exp.	0.12	0.16
Land Lease	0.09	0.09
Rent	0.07	0.29
Profession Tax ( Company)	0.03	0.03
Stationery & Printing	-	0.08

Total : 16.66 30.50

**27) Exceptional Items**

a) **Expenditure:-**

Write off of Abandoned Wainganga Project

Total (a) : - 1,057.01

b) **Income :-**

Sale of Capital Stock

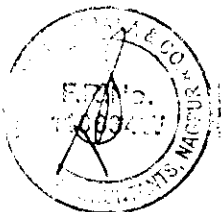
Less : Cost of Capital Stock Sold

Total (b) : - 8.75

Total (b) : - 5.62

Net (a-b) : - 3.14

Net (a-b) : - 1,053.87



**28) SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31<sup>st</sup> MARCH 2018**

**I) Corporate information**

SMS Vidhyut Private Limited is a private limited company domiciled in India & Incorporated on 6th December 2006 under the provision of the companies Act, 1956. It is wholly owned Subsidiary Company of SMS Infrastructure Ltd, Nagpur engaged in generation and transmission of power from hydro project.

Hydro Power Plant Name	Life in years	Commencement Date
Right Bank Canal Project	30 years from the date of commencement of commercial operation	21 <sup>st</sup> Feb 2012
Left Bank Canal Project	30 years from the date of commencement of commercial operation	29 <sup>th</sup> Jan 2015

**II) Basis of preparation**

**i) Compliance with IND AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**ii) Historical Cost Conventions**

The Financial Statements have been prepared on historical cost basis.

**iii) Current Versus Non Current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**iv) Rounding off of Amounts**

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

**b) Use of Estimates and Judgements**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and judgements used in the preparation of financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

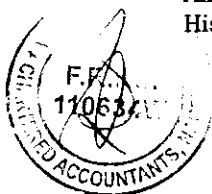
**III) Significant Accounting Policies**

**a) Property Plant and Equipment**

**i) Recognition & Measurement**

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historical cost:

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



Advances paid towards acquisition of property plant & equipment outstanding at each balance sheet date is classified as capital advances under other non current assets and the cost of asset not put to use before such date are disclosed under " Capital work in progress". Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**ii) Depreciation Methods useful lives and residual value**

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as per provided in Part C of schedule II of the company act 2013 or remaining life of the project which ever is less. The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are same as the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

The residual values are 0.2% of original cost of asset. The residual value, useful life and method of deprecation of property plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate.

**b) Investment in Properties :-**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment

**c) Intangible Assets :-**

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Cost of a nonmonetary asset acquired in exchange of another non-monetary asset is measured at fair value. Intangible assets are amortised over their respective individual estimated useful life on straight line basis from the date that they are available for use.

**d) Inventories :-**

Inventories are valued at the cost or net realisable value whichever is lower . Cost comprise of all the cost of purchase and other costs incurred in bringing the inventories to present location and condition. Cost formulae used is 'Weighted Average Cost',. Due allowance is estimated and made for defective and obsolete

**e) Borrowing Costs :-**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use as part of the cost of asset. All other borrowing costs are expenses in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**f) Leases :-**

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.

Leases under which company assumes substantially all risks and rewards of ownership are called as Finance leases. . When acquired, such assets are capitalised at fair value or present value of minimum lease payments at the inception of lease whichever is lower.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Lease rental are charged to the statement of Profit & Loss on accrual basis.





**g) Cash & Cash Equivalents**

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

**h) Government Grants :-**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in capital reserve as deferred income and are credited to Profit and Loss on a straight - line basis over the remaining period of the project and presented within other income.

**i) Revenue Recognition:-**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments.

Revenue from Power Supply and Transmission Charges are accounted for on the basis of billing to State Transmission Utility i.e. Maharashtra State Electricity Distribution Corporation Limited.

Other Income includes interest income on deposits, other Misc. Income which are recognised in accrual basis

**j) Financial Instruments:**

**(i) Financial Assets**

**1) Classification**

The company classifies its financial Assets in the following measurement categories:

- a) Those measured at amortised cost.
- b) Those to be measured subsequently at fair value (either through other comprehensive or through statement of profit and Loss), and

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**2) Initial Recognition and measurement**

All financial assets are recognised initially at fair value, transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**3) Subsequent Measurement**

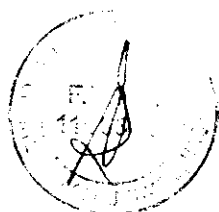
For purposes of subsequent measurement, financial assets are classified in following categories:

**a) Financial assets at amortized cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

**b) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.



**c) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in statement of profit and loss.

**4) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

**5) De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

**ii) Equity Instrument And Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**a) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

**b) Financial Liabilities**

**1) Initial recognition and Measurement**

Financial liabilities are recognized initially at fair value and in case of borrowing and payables, net of directly attributable cost.

**2) Subsequent measurement**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**4) De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

