PRAYAGRAJ POWER GENERATION COMPANY LIMITED

BALANCE SHEET AS AT 31.03.2017

AND

STATEMENT OF PROFIT & LOSS

For the period

01.04.2016 to 31.03.2017

Registered Office : Sector - 128, Noida - 201304, Uttar Pradesh (India)

DASS GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
M/s Prayagraj Power Generation Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Prayagraj Power Generation Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Changes in Equity, the Statement of Profit and Loss and the Cash Flow Statement 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

B 4, Gulmohar Park, New Delhi 110049.
Phone : 91-11-46111000 (30 lines) Fax : 91-11-46111099 E-mail : admin@dassgupta.com

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 affairs of the Company

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NEW DELHI

as at 31st March, 2017, its changes in Equity, its loss and its Cash flows 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 paragraphs 3 and 4 of the Order, as may be applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 Changes in Equity, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) 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.

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(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 does not have any pending litigations which would impact its financial position.

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.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November 2016 to 30th December 2016 and these details are in accordance with the books of accounts maintained by the company.

For **Dass Gupta & Associates**
Chartered Accountants
Firm Reg. No: 000112N

Place: Delhi
Date : 28.05.2017

(CA Pankaj Mangal)
(Partner)
(Membership No. 097890)

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph - 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:-

(i) (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The management during the year has physically verified major fixed assets and no material discrepancy were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Inventory has been physically verified by the management during the year, according to information and explanation given to us, no material discrepancies were noticed on physical verification of inventory as compared to book records.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has not granted any loan, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not required.

(iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments during the year, Accordingly, paragraph 3(iv) of the Order is not applicable.

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CHARTERED ACCOUNTANTS
NEW DELHI

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the company pursuant to The Companies (Cost Accounting Records) Rules, 2014 made by Central Government for the maintenance of cost records u/s 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of these records.

(vii) a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, and any other material statutory dues applicable to it. There were no arrears of such dues at the yearend which have remain outstanding for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and as per the books and records examined by us, the particulars of dues in respect of Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty and value added tax, which has not been deposited on account of any dispute is as under:

Name of the Statute	Nature of Dues	Period for which the amount relates	Amount (In Rs.)	Forum where dispute is pending
Uttar Pradesh Tax on Entry of Goods into local areas (Amendment Act, 2008)	Entry Tax	2011-17	28,68,70,376/-*	Hon'ble Supreme Court
Income Tax Act, 1961	Income Tax	A.Y. 2012-13	3,72,58,120/-	CIT (Appeals), Lucknow
		A.Y. 2013-14	5,49,59,310/-	
		A.Y. 2014-15	2,42,59,380/-	

* Out of this, Rs. 28,29,84,830/- has been deposited and Bank Guarantee given for Rs. 38,85,546/- under protest against this liability.

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(viii) Based on the audit procedures and on the information and explanations given to us and as per the books and records examined by us, we are of the opinion that the company has defaulted in repayment of dues of bank and financial institution as per following details:-

S.No.	Particulars	Amount of defalut as on Balance Sheet Date (Rs.)	Period of Default	Remarks
	From Banks:			
1	Andhra Bank	128,346,938	31.01.2017 to 31.03.2017	--
2	Bank of Baroda	78,094,843	31.01.2017 to 31.03.2017	--
3	Bank of India	219,190,585	31.01.2017 to 31.03.2017	--
4	Canara Bank	117,135,100	31.01.2017 to 31.03.2017	--
5	Corporation Bank	120,295,941	31.01.2017 to 31.03.2017	--
6	Indian Oversees Bank	201,612,429	31.01.2017 to 31.03.2017	--
7	Indian Bank	87,490,603	31.01.2017 to 31.03.2017	--
8	IDBI Bank	159,394,697	31.01.2017 to 31.03.2017	--
9	Punjab National Bank	234,745,456	31.01.2017 to 31.03.2017	--
10	Oriental Bank of Commerce	104,466,303	31.01.2017 to 31.03.2017	--
11	State Bank of Bikaner & Jaipur	81,315,523	31.01.2017 to 31.03.2017	--
12	State Bank of Hydrabad	79,044,668	31.01.2017 to 31.03.2017	--
13	State Bank of India	1,048,917,026	31.01.2017 to 31.03.2017	--
14	Union Bank of India	160,109,459	31.01.2017 to 31.03.2017	--
15	United Bank of India	66,807,854	31.01.2017 to 31.03.2017	--
16	UCO Bank	115,685,057	31.01.2017 to 31.03.2017	--
	From Financial Institution			
1	L&T Infrastructure Finance Co. Ltd.	108,734,961	31.01.2017 to 31.03.2017	--
2	India Infrastructure Finance Co. (UK) Ltd.	100,163,901	31.01.2017 to 31.03.2017	--
3	PTC India Financial Services Co. Ltd.	94,730,653	31.01.2017 to 31.03.2017	--
	From Others			
1	LIC OF India	949,924,639	31.01.2016 to 31.03.2017	--
	Total	4,256,206,636		

(ix) The Company has raised Term loans from various Banks and financial institution during the year. Based on the audit procedures and on the information and explanations given by the management, the proceeds of terms loans so raised are applied for the purposes for which they are raised.

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS * NEW DELHI *

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

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration during the year under concern, Accordingly paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of shares which are in compliance with section 42 of the Companies Act'2013.
In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has used the amount raised for the purpose for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) Based on the examination of the books of account and related records and according to the information and explanations given to us, company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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NEW DELHI

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Prayagraj Power Generation Company Limited ("the Company") as of 31 March 2017 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 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.

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 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.

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NEW DELHI

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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NEW DELHI

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 31 March 2017, 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 **Dass Gupta & Associates**
Chartered Accountants
Firm Reg. No: 000112N

CHARTERED ACCOUNTANTS
NEW DELHI

Place: Delhi
Date :28.05.2017

(CA Pankaj Mangal)
(Partner)
(Membership No. 097890)

PRAYAGRAJ POWER GENERATION COMPANY LIMITED

Balance Sheet as at 31 March 2017

(Amount in Rs)

Particulars	Note No	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
(I) Assets				
(1) Non Current assets				
(a) Property ,Plant and Equipment	2	107,744,897,483	65,065,169,543	1,228,995,268
(b) Capital Work in Progress	3	43,525,890,718	75,444,226,718	120,000,918,349
(c) Financial Assets				
(i) Other Financial assets	4	87,403,558	62,615,540	159,231,091
(d) Other non current Assets	5	153,371,603	67,184,875	57,390,405
		151,511,563,362	**140,639,196,676**	**121,446,535,113**
(2) Current Assets				
(a) Inventories	6	781,817,445	290,629,593	188,511,579
(b) Financial Assets				
(i) Trade receivable	7	5,499,955,081	1,010,150,430	
(ii) Cash and Cash equivalents	8	236,672,272	472,404,335	1,427,551,848
(iii) Other Bank Balances	9	44,730,800	15,660,887	300,000,000
(iv) Other Financial assets	10	835,015,934	1,608,589,174	505,080,000
(c) Current Tax assets (Net)	11	52,637,027	50,415,067	47,253,981
(d) Other Current Assets	12	1,540,323,589	1,077,820,265	1,821,278,479
		8,991,152,148	4,525,669,751	4,289,675,887
Total Assets:-		**160,502,715,510**	**145,164,866,427**	**125,736,211,000**
(II) EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	13	26,091,898,000	25,731,898,000	25,031,898,000
(b) Other Equity		(2,030,268,397)	3,362,692,158	3,804,219,496
		24,061,629,603	**29,094,590,158**	**28,836,117,496**
(2) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	110,712,902,997	101,061,572,031	82,580,652,837
(ii) Other Financial Liabilities	15	5,266,598,303	5,153,588,912	2,254,891,955
(b) Provisions	16	7,017,352	4,748,063	3,788,247
(c) Other non current liabilities	17	1,759,332,136	2,480,713,094	1,690,699,428
		117,745,850,788	**108,700,622,100**	**86,530,032,466**
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	-	1,060,363,933	5,000,000,000
(ii) Other Financial Liabilities	19	18,609,547,780	6,278,434,773	5,342,020,499
(b) Other Current Liabilities	20	85,010,106	30,347,441	27,415,300
(c) Short Term Provisions	21	677,233	508,022	625,238
		18,695,235,119	**7,369,654,169**	**10,370,061,037**
Total Equity and Liabilities :-		**160,502,715,510**	**145,164,866,426**	**125,736,211,000**

Significant Accounting Policies 1

Notes to the Financial Statement 2-42

The accompanying notes referred above form an integral part of these financial statements

As per our Report of even date attached

For Dass Gupta & Associates

(Chartered Accountants)

F.R.N. 000112N

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(Pankaj Mangal)
Partner
M.No. 097890

For and on behalf of the board

(Jaiprakash Gaur)
Executive Chairman
DIN 00008085

(Suren Jain)
Director
DIN 00011026

(Manoj Gaur)
Director
DIN 00008480

(Rajeev Kumar)
Company Secretary

(Ramesh Chand Sharma)
CFO

Place: Delhi
Dated: 28.05.2017

PRAYAGRAJ POWER GENERATION COMPANY LIMITED

Statement of Profit and Loss for the period ended 31 March 2017

(Amount in Rs)

Particulars	Note No	For the period ended March 2017	For the period ended March 2016
Revenue from operations	22	16,923,186,218	584,492,814
Other income	23	711,772,873	370,675,852
Total Income (1+2)		17,634,959,091	955,168,666
Expenses:			
(a) Cost of materials consumed	24	10,645,990,055	179,970,763
(b) Employee benefits expense	25	415,800,417	27,256,156
(c) Finance costs	26	9,489,724,943	1,004,718,579
(d) Depreciation and amortization Expense	27	2,338,494,988	153,711,837
(e) Other expenses	28	205,589,221	45,861,260
Total expenses		**23,095,599,624**	**1,411,518,594**
Profit/(Loss) before tax		**(5,460,640,532)**	**(456,349,928)**
Tax expense:			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Total tax expenses (i)+(ii)			-
Profit/ (loss) after Tax		**(5,460,640,532)**	**(456,349,928)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of the defined benefit plans		(20,022)	765,590
Total Other comprehensive income		**(20,022)**	**765,590**
Total Comprehensive Income for the period		**(5,460,660,554)**	**(455,584,338)**
Earnings per Equity Share			
(i) Basic		(2.09)	(0.18)
(ii) Diluted		(2.09)	(0.18)

Significant Accounting Policies 1

Notes to the Financial Statement 2-42

The accompanying notes referred above form an integral part of these financial statements

As per our Report of even date attached
For Dass Gupta & Associates
(Chartered Accountants)
F.R.N. 000112N

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(Pankaj Mangal)
Partner
M.No. 097890

For and on behalf of the board

(Jaiprakash Gaur)
Executive Chairman
DIN 00008085

(Suren Jain)
Director
DIN 00011026

(Manoj Gaur)
Director
DIN 00008480

Place: Delhi
Dated: 28.05.2017

Rajeev Kumar
(Rajeev Kumar)
Company Secretary

(Ramesh Chand Sharma)
CFO

PRAYAGRAJ POWER GENERATION COMPANY LIMITED

Statement of changes in equity for the period ended March 2017

Particulars	Amount (in Rs)
Equity	
a. Equity share capital	
Balance at 1 April 2015	25,031,898,000
Equity share issued during the year	700,000,000
Balance at 31 March 2016	**25,731,898,000**
Equity share issued during the year	360,000,000
Balance at 31 March 2017	**26,091,898,000**

(Amount in Rs)

Other Equity

Particular	Equity component of compulsory convertible preference share Including security premium	Corporate Guarantee	Retained earnings	Remeasurements of the defined benefit plans	Total
Balance at 1 April 2015	3,964,217,845	1,470,000	(164,606,268)	3,137,919	3,804,219,496
Profit for the year			(456,349,928)		(456,349,928)
Remaesurement of defined benefit liability(net of tax)				765,590	765,590
Addition		14,057,000			14,057,000
Balance at 31 March 2016	**3,964,217,845**	**15,527,000**	**(620,956,196)**	**3,903,509**	**3,362,692,158**
Profit for the year			(5,460,640,532)		(5,460,640,532)
Remasurement of defined benefit liability(net of tax)				(20,022)	(20,022)
Addition		67,700,000			67,700,000
Balance at 31 March 2017	**3,964,217,845**	**83,227,000**	**(6,081,596,729)**	**3,883,487**	**(2,030,268,397)**

Significant Accounting Policies	1
Notes to the Financial Statement	2-42

The accompanying notes referred above form an integral part of these financial statements

As per our Report of even date attached
For Dass Gupta & Associates
(Chartered Accountants)
F.R.N. 000112N

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(Pankaj Mangal)
Partner
M.No. 097890

For and on behalf of the board

(Jaiprakash Gaur)
Executive Chairman
DIN 00008085

(Suren Jain)
Director
DIN 00011026

(Manoj Gaur)
Director
DIN 00008480

Rajeev Kumar
(Rajeev Kumar)
Company Secretary

(Ramesh Chand Sharma)
CFO

Place: Delhi
Dated: 28.05.2017

PRAYAGRAJ POWER GENERATION COMPANY LIMITED
Cash Flow Statement for the year ended 31 March 2017

(Amounts in Rs)

	Cash Flow statement	Year ended March, 31 2017	Year ended March, 31 2016
A	**Cash flows from operating activities**		
	Profit for the year	(5,460,640,532)	(456,349,928)
	Adjustments for:		
-	Depreciation	2,338,494,988	153,711,837
-	Interest and finance charges	9,489,724,943	1,004,718,579
-	Guarantee expenses	8,484,561	1,554,496
-	Other Income - reduction in financial assets	(657,998,433)	368,113,852
-	Remeasurement of acturial gain/loss	(20,022)	765,590
-	Prepaid expenses	(26,971,289)	(2,708,034)
	Operating profit before working capital changes	**5,691,074,215**	**338,994,756**
	Adjustments for :		
-	(Increase) / decrease in inventories	(491,187,852)	(102,118,014)
-	(Increase) / decrease in trade receivables	(4,489,804,651)	(1,010,150,430)
-	(Increase) / decrease in other financial assets (excluding advance tax)	(644,793,789)	(182,959,209)
-	(Increase) / decrease in other current assets	(462,503,324)	743,458,214
-	Increase / (decrease) in payble for capital expenditure	(600,712,522)	3,692,305,217
-	Increase / (decrease) in other current liabilities	54,662,665	2,932,141
-	Increase / (decrease) in other financial liabilities and provision	12,333,551,507	937,256,874
-	**Change in non current assets**		
	Cash generated from operations	**11,390,286,249**	**4,419,719,549**
	Income tax refund/ (paid)	(2,221,960)	(3,161,086)
	Net Cash flow generated from operating activities	**11,388,064,289**	**4,416,558,463**
B	**Cash flow from investing activities**		
-	Additions to PPE and intangible assets (including net movement in CWIP)	(13,099,886,928)	(19,433,194,481)
-	Interest received	(2,185,158)	20,002,222
-	maturity of deposit	(53,857,931)	860,954,664
	Net cash flows (used in)/genenrated from investing activities	**(13,155,930,017)**	**(18,552,237,595)**
C	**Cash flow from financing activities**		
-	Proceeds from long term borrowings	9,316,167,337	18,163,454,821
-	(Repayments of) / Proceeds from short term borrowings (net)	(1,060,363,933)	(3,939,636,067)
-	issue of share	360,000,000	700,000,000
-	Loan to (Related party)/Received back	1,420,552,187	(1,420,552,187)
-	Interest and finance charges paid	(8,741,862,735)	(657,079,538)
	Net cash flows (used in)/ generated from financing activities	**1,532,133,666**	**13,180,531,619**
	Net change in cash and cash equivalents (A+B+C)	**(235,732,062)**	**(955,147,513)**
	Cash and cash equivalents- opening balance	472,404,335	1,427,551,848
	Cash and cash equivalents- closing balance	**236,672,273**	**472,404,335**
	Notes to cash flow statement:		

Note:- The Cash flow statement has been prepaired under the "Indirect Method" as setout in Ind AS-7

Significant Accounting Policies	1
Notes to the Financial Statement	2-42

The accompanying notes referred above form an integral part of these financial statements

As per our Report of even date attached
For Dass Gupta & Associates
(Chartered Accountants)
F.R.N. 000112N

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(Pankaj Mangal)
Partner
M.No. 097890

For and on behalf of the board

(Jaiprakash Gaur)
Executive Chairman
DIN 00008085

(Suren Jain)
Director
DIN 00011026

(Manoj Gaur)
Director
DIN 00008480

(Rajeev Kumar)
Company Secretary

(Ramesh Chand Sharma)
CFO

Place: Delhi
Dated: 28.05.2017

Note-1 Significant accounting policies

1. Company's Overview

Prayagraj Power Generation Company Limited ("the Company") is a company registered under the Companies Act, 1956. The Company is setting up a 1980 MW (3 x 660MW) coal based thermal power project "the Project" at Tehsil Bara, District Allahabad, Uttar Pradesh. The Company is subsidiary of Jaiprakash Power Ventures Limited. As on the date of the financial statement, the Company has commenced commercial production from two units of 660MW each and third unit is under construction.

2. Significant Accounting Policies

a. Basis of preparation

The Company has adopted accounting policies that comply with Indian Accounting standards (IND AS or Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III to the Companies Act 2013, amended from time to time applicable to companies to whom IND AS applies read with the IND AS's.

The opening financial statements have been prepared in accordance with "Indian Accounting Standard 101 (First time Adoption of Indian Accounting Standards). The opening financial statements comprises Balance Sheet, Statement of Change in equity and its related notes.

The adopted accounting policies comply with each Ind-AS effective at the end of its first Ind-AS reporting period i.e.31st March 2017 except as specified in paragraphs 13-19 and Appendices B-D of Ind AS 101. In the opening financial statements:

(i) All assets and liabilities have been recognised as required by Ind AS.
(ii) All assets and liabilities have been derecognized which are not permitted by Ind AS.
(iii) All assets, liabilities or components of equity have been reclassified in accordance with Ind AS.
(iv) All assets and liabilities have been measured in accordance with Ind AS.

The accounting policies used by the Company in its opening financial statement may differ from those previously used in accordance with Indian Generally Accepted Accounting Principles (GAAP) or the previous GAAP. The resulting adjustments, which have arisen for events and transactions before the date of transition to Ind AS, have been directly recognized in retained earnings at the date of transition to Ind-AS i.e. April 1, 2015 (or, if appropriate, another category of equity) at the date of transition to Ind ASs.

The company estimates in accordance with Ind ASs at the date of transition to Ind ASs are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The company has explained how the transition from previous GAAP to Ind ASs has affected its reported Balance sheet & profit & loss. Accordingly, The Company's first Ind AS financial statements includes:

(a) Reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind ASs for both of the following dates:
  (i) the date of transition to Ind ASs; and
  (ii) the end of the latest period presented in the company's most recent annual financial statements in accordance with previous GAAP.

(b) Reconciliations of its Balance Sheet reported in accordance with previous GAAP with Balance Sheet reported in accordance IND AS.

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(b) Reconciliation to its total comprehensive income in accordance with Ind ASs for the latest period in the Company's most recent annual financial statements. The starting point for that reconciliation being the profit or loss under previous GAAP.

The Company's first Ind AS financial statements includes three Balance Sheet's, two Statements of profit and loss, two Statements of cash flows and two Statements of changes in equity and related notes, including comparative information for all statements presented.

The Company's first financial statements have been prepared in accordance with the Ind AS prescribed. The preparation of the Company's first financial statements in conformity with Ind AS requires the Company to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. These estimates and assumptions are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances and presented under the historical cost convention on accrual basis of accounting.

b. Property, plant and equipment (PPE)

i. Tangible Assets

The Company has elected to use a previous GAAP cost (cost less accumulated depreciation and impairment losses (if any)) of an item of PPE at, or before, the date of transition to Ind ASs as deemed cost at the date of transition in accordance with accounting policy option available in Ind AS 101.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Components of costs

The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes installation of fixed assets borrowing costs if capitalization criteria are met and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Subsequent expenditure related to an item of PPE is added to its carrying value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and recognized under CWIP.

The carrying amount of PPE is de-recognized when no future economic benefits are expected from its use or on disposal. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Machinery spares that can be used only in connection with an item of fixed assets & where expected use is more than one year, are capitalized along with plant & machinery.

ii. Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciation on all PPE except land are provided on a straight line method at the rates and in the manner specified in schedule II of the Companies Act, 2013, which is follows:

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Assets	Useful Lives
Building	30 & 60 Years
Plant and Machinery	10-40 years
Vehicle	8 & 10 years
Office equipment	5-10 years
Furniture and fittings	10-15 years
Computer	3 & 6 Year

Fixed assets are stated at cost less accumulated depreciation. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use.Where cost of the part of the asset is significant to total cost of asset and useful life of that part is different from useful life of the asset, useful life and the value of that significant part shall be determined separately through internal/external expert.

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in schedule II of the Companies Act, 2013

The depreciation period and method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the depreciation period is changed accordingly.

iii. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.
Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de recognised.

d. Inventories

Inventories of Raw material and stores and spares are valued at lower of cost or net releasable value. Cost is determined on weighted average basis.

Cost comprises of purchase & other costs incurred in bringing then to their present location & conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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e. Revenue recognition

(i) 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 payment and excluding taxes or duties collected on behalf of the government.

(ii) Interest / surcharge on late payment / overdue for sale of energy is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Sale of scrap is accounted for as and when sold.

f. Foreign Currency Transaction

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period

i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

i) Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

ii) Non-monetary items that are measured terms of historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

g. Employee benefits

i) **Retirement benefit cost**

Payments to defined contribution retirement benefit plans such as provident fund are recognized as an employee benefit expense.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re measurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

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Re measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

ii) Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

iii) **Compensated Absences**

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence.
The Company recognizes an obligation for compensated absences in the period in which the employee renders the services. The Company provides for the expected cost of compensated absence in the Statement of Profit and Loss as the additional amount of the Company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date

h. Borrowing cost

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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i. **Leases**

Finance lease
Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases

Operating lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

j. **Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.Dilutive potential equity shares are determined independently for each period presented.

k. **Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

ii) Deferred tax

Deferred Tax charge or credit reflects the tax differences of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates that has been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent of presence of reasonable certainty that the assets can be realized in future.

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l. Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

m. Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a 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 uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

n. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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o. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

p. Use of estimates

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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

q. Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less,which are subject to an insignificant risk of changes in value.

r. Current versus Non current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i. Expected to be realized or intended to be sold or consumed in normal operating cycle

ii. Held primarily for the purpose of trading

iii. Expected to be realized within twelve months after the reporting period, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

i. It is expected to be settled in normal operating cycle

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

s. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are 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 (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t. Financial Instrument

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.

(1). Financial asset is any assets that is
- Cash;
- an equity instrument of another entity;
- a contractual right:
  (i) to receive cash or another financial asset from another entity; or
  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets includes current and non-current investments, loan to employees and body corporates, security deposits, trade receivables and other eligible current and non-current assets

(2) Financial Liability is any liabilities that is
- a contractual obligation :
  (i) to deliver cash or another financial asset to another entity; or
  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of

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the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities includes Loans, trade payable and eligible current and non-current liabilities.

(3) Transitional Provisions in opening balance sheet per Ind AS 101

The Company designates a previously recognised financial asset/financial liability as a financial asset/ financial liability measured at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind ASs.

The Company has assessed whether a financial asset meets the conditions w.r.t classification criteria on the basis of the facts and circumstances that exist at the date of transition to Ind Ass, practically feasible.

(4) Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(i) the entity's business model for managing the financial assets and
(ii) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:
(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(ii) 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.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
(i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(ii) 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.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortised costusing the effective interest method or fair value through profit or loss.

(5) Recognition

Financial assets and financial liabilities are recognized when and only when the company becomes party to the contractual provisions of the instrument.

(6) Initial Measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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(7) Financial assets

(i) Financial assets subsequent measurement

Financial assets as subsequent measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortised cost or fair value through profit or loss.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial a classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Trade receivables

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

(iv) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected

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credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that transactions that are within the scope of Ind AS 18, the company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. This expected allowance is computed based on a provision matrix which takes into account historical experience and adjusted for forward-looking information.

(v) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks rewards of ownership and continues to control the transferred asset, the company recognizes its interest in the asset 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 recognize the financial asset and also recognizes a collateralized borrowing for proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying and the sum of the consideration received and receivable and the cumulative gain or loss that had recognized in other comprehensive income and accumulated in equity is recognized in profit or loss such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and sum of the consideration received for the part no longer recognized and any cumulative gain or allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(8) Financial Liabilities

(i) Financial liabilities subsequently measured at amortized cost
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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(ii)Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re measurement recognised in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the company as at fair value through profit or loss are recognized in profit or loss.

(iii)Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

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 company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(iv)Trade payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(v)Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

(vi)Preference share capital

At initial recognition, Preference share capital is classified as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Preference share capital is classified as a financial liability or an equity instrument based on the substance of a financial instrument, rather than its legal form.

Preference share is classified as an equity instrument if, and only if, both conditions (a) and (b) below are met

(i) The instrument includes no contractual obligation:
- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

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(ii) If the instrument will or may be settled in the issuer's own equity instruments, it is:

- a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
- a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Preference share capital is classified as a financial liability if it provides for mandatory redemption for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount.

(vii)Compound financial instruments

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

(viii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of existing financial liability (whether or not attributable to the financial difficulty of the debtor)is accounted for as an extinguishment of the original financial liability and the recognition of a financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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PRAYAGRAJ POWER GENERATION COMPANY LIMITED

Notes to balance sheet

Note No-2 : Property Plant & Equipment (Amount in Rs)

Particulars	Land	Buliding	Plant and Equipment	Furniture and Fixtures	Vehicle	Office Equipment	Computer	Total
Gross Block								
As at 1 April 2015	754,038,404	400,275,092	67,300,989	34,619,693	5,838,255	16,047,376	5,694,666	1,283,814,475
Additions	9,485,892		27,726,583	2,682,906		5,722,236	1,679,325	47,296,942
Transfer from CWIP		2,657,709,103	61,311,134,241					63,968,843,344
Disposals								-
As at 31 March 2016	**763,524,296**	**3,057,984,195**	**61,406,161,813**	**37,302,599**	**5,838,255**	**21,769,612**	**7,373,991**	**65,299,954,761**
Additions	14,645,010	273,130,866	44,762,566,055	133,356		424,709	201,420	45,051,101,416
Other adjustment			(5,898,150)					(5,898,150)
Disposals								-
As at 31 March 2017	**778,169,306**	**3,331,115,061**	**106,162,829,718**	**37,435,955**	**5,838,255**	**22,194,321**	**7,575,411**	**110,345,158,028**
								-
Accumulated Depreciation								-
As at 1 April 2015		32,922,781	4,839,563	10,250,256	1,210,551	2,124,614	3,471,442	54,819,207
Charge for the year		18,107,081	151,479,557	7,391,111	721,574	1,164,222	1,102,466	179,966,011
As at 31 March 2016		**51,029,862**	**156,319,120**	**17,641,367**	**1,932,125**	**3,288,836**	**4,573,908**	**234,785,218**
Charge for the year		70,233,719	2,291,471,439	1,274,089	720,155	1,036,417	989,529	2,365,725,348
Disposals			(250,022)					(250,022)
As at 31 March 2017		**121,263,581**	**2,447,540,538**	**18,915,456**	**2,652,280**	**4,325,253**	**5,563,437**	**2,600,260,545**
								-
Net Block (As at 1 April 2015)	754,038,404	367,352,311	62,461,426	24,369,437	4,627,704	13,922,762	2,223,224	**1,228,995,268**
Net Block (As at 31 March 2016)	763,524,296	3,006,954,333	61,249,842,693	19,661,232	3,906,130	18,480,776	2,800,083	**65,065,169,543**
Net Block (As at 31 March 2017)	778,169,306	3,209,851,480	103,715,289,181	18,520,499	3,185,975	17,869,068	2,011,974	**107,744,897,483**

Note:

I In the view of Management there is no impairment in the value of Assets.

II In accordence with requirement prescribed under schedule-II of Companies Act. 2013, the Company has adopted the useful lives as prescribed in Schedule-II

II Previous year comparative figures have been regrouped and recast to the extent practicable, wherever necessary.

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PRAYAGRAJ POWER GENERATION COMPANY LIMITED
Notes to Financial Statements
Note-3 Capital Work In Progress

(Amount in Rs)

S.No.	Particulars	As on 31.03.2017	As on 31.03.2016
A.	**Direct cost of project under construction :**		
	Opening Balance of Capital Work In progress	53,126,810,929	92,059,802,028
	Add: Transfer from Pre Operative Expenses	13,396,361,760	18,727,238,904
	Add: Addition during the year	8,625,866,888	6,308,613,341
	Less : Transfer to Fixed Assets	46,108,992,822	63,968,843,344
	Closing Balance (A)	**29,040,046,755**	**53,126,810,929**
B	**Incidental expenditure during construction**		
	Opening balance	21,530,616,706	27,182,067,873
	Add: Addition during the year		
	Employee Benefit Expenses	70,217,486	134,599,869
	Finance Cost	5,703,741,300	12,293,574,710
	Depreciation and amortisation expense	28,156,222	26,254,175
	Other Expenses	190,203,167	648,597,025
	Less:- Other Income	247,191,385	27,238,036
	Total	**27,275,743,495**	**40,257,855,615**
	Less: Transfer to Direct cost of project under construction	13,396,361,760	(18,727,238,904)
	Less: Transfer to Bara Cement Grinding Unit under construction	37,365,459	-
	Closing Balance (B)	**13,842,016,276**	**21,530,616,711**
C	**Bara Cement Grinding Unit**		
	Opening balance	432,321,907	432,320,762
	Add: Addition during the year	208,566	1,145
	Add: Transfer from Pre Operative Expenses	37,365,459	-
	Less: Transfer to Fixed Assets	-	-
	Closing Balance (C)	**469,895,932**	**432,321,907**
D	Inventory- **Construction Stores**	173,931,755	354,477,171
	Closing Balance (D)	**173,931,755**	**354,477,171**
	Total Capital work in progress (A+B+C+D)	**43,525,890,718**	**75,444,226,718**

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PRAYAGRAJ POWER GENERATION COMPANY LIMITED
Notes to Financial Statements

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
4	**Other Financial assets**			
	(a) Deposits With more than 12 months maturity*	87,403,558	62,615,540	141,080,990
	(b) Security Deposits	-	-	18,150,101
	*(Including FDR's amounting to Rs 75,23,14,492/- (Previous year Rs.6,15,89,918/-) Pledged with the Bank as margin money against Bank Guarantees			
	Total:-	**87,403,558**	**62,615,540**	**159,231,091**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
5	**Other non current Assets**			
	- Prepaid exp	153,371,603	67,184,875	57,390,405
	Total:-	**153,371,603**	**67,184,875**	**57,390,405**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
6	**Inventories**			
	(a) Coal, Oil & Other Fuels	704,881,259	277,251,907	141,920,024
	(b) Stores and spares	76,936,186	13,377,686	46,591,555
	Total:-	**781,817,445**	**290,629,593**	**188,511,579**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
7	**Trade receivable**			
	Unsecured			
	(a) Other Trade Receiviables	5,499,955,081	1,010,150,430	-
	(b) Outstanding For the Period Exceeding 6 month	-	-	-
	Total:-	**5,499,955,081**	**1,010,150,430**	-

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
8	**Cash Bank Balances**			
	(a) Balances with Banks			
	- In Current account	226,738,554	334,309,876	302,015,676
	(b) Cash in hand	2,195,802	1,040,570	1,411,320
	(c) Deposits with less than 3 Months Maturity	7,737,917	137,053,889	1,124,124,852
	Total:-	**236,672,272**	**472,404,335**	**1,427,551,848**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
9	**Other bank balance**			
	Deposits with original maturity from 3 months to 12 months*	44,730,800	15,660,887	300,000,000
	Total:-	**44,730,800**	**15,660,887**	**300,000,000**
	*Including FDR's amounting to Rs. 21,50,64,149/- (Previous year Rs. 2,02,47,532/-) Pledged with the Bank as margin money against Bank Guarantees			

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(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
10	**Other Financial assets**			
	(a) Interest accrued on Fixed Deposit with Banks	7,001,424	4,816,266	24,818,488
	(b) Advance to related party *	-	1,420,552,187	-
	(c) Others	545,029,680	40,089,487	261,512
	(d) Earnest monry deposit	282,984,830	143,131,234	-
	(e) Security deposit	-	-	480,000,000
	(*Related Parties includes Jaiprakash Associates Ltd., Advance outstanding Rs NIL (Previous year 15-16 Rs 1,42,05,52,187/-)			
	Total:-	**835,015,934**	**1,608,589,174**	**505,080,000**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
11	**Current tax asset**			
	Advance tax	52,637,027	50,415,067	47,253,981
	Total:-	**52,637,027**	**50,415,067**	**47,253,981**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
12	**Other current assets**			
	(a) Advance receivable in cash or in kind	203,435,196	128,159,996	775,091,550
	(b) Capital advances(against bank guarantee)	211,053,766	598,674,415	689,175,063
	(c) Capital advances	-	183,176,990	174,415,728
	(d) Balances with Statutory/Govt Authorities	19,843,960	26,126,619	12,392,634
	(e) Advances to Contractors or Suppliers	988,559,655	50,774,118	51,129,920
	(f) Prepaid expenses	117,283,115	87,002,381	24,823,540
	(g) Advance others	147,897	3,905,746	94,250,044
	Total:-	**1,540,323,589**	**1,077,820,265**	**1,821,278,479**

PRAYAGRAJ POWER GENERATION COMPANY LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note-13 Equity Share Capital

(Amount in Rs)

Particulars	**As on 31 March 2017**	**As on 31 March 2016**	**As on 1 April 2015**
Equity Share capital			
Authorised Share Capital			
Equity Share Capital			
4,00,00,00,000 Equity Shares (Previous year 4,00,00,00,000 Equity Shares) of Rs 10/- each	40,000,000,000	40,000,000,000	40,000,000,000
Total:-	**40,000,000,000**	**40,000,000,000**	**40,000,000,000**
Issued, Subscribed and Paid up capital			
Equity Share Capital			
260,91,89,800 (Previous period 257,31,89,800) Shares of Rs. 10/- each fully paid up (Refer Note no 37)	26,091,898,000	25,731,898,000	25,031,898,000
Total:-	**26,091,898,000**	**25,731,898,000**	**25,031,898,000**

Reconciliation of no. of shares Outstanding	**As on 31 March 2017**	**As on 31 March 2016**	**As on 1 April 2015**
Equity Share Capital			
Equity Shares Outstanding at the beginning of the Year	2,573,189,800	2,503,189,800	1,878,189,800
Issued during the year	36,000,000	70,000,000	625,000,000
Outstanding at the End of the Year	**2,609,189,800**	**2,573,189,800**	**2,503,189,800**

(a) All the Equity Shares is having a par value of Rs. 10 per shares. The holders of the equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of share holders.

(b) Jaiprakash Power Ventures Ltd., the Holding Company and its nominees holds 226,91,89,800 equity shares (86.97%) (Previous year 223,31,89,800 Equity shares (86.79%) and Jaiprakash Associates Ltd. Holds 34,00,00,000 Equity shares (13.03%) (Previous year 34,00,00,000 Equity Shares(13.21%))).

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Notes to Financial Statements

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
14	**Borrowings**			
	(1) Secured			
	(a) Term Loans (Indian Currency)*			
	(i) From banks	80,682,646,660	74,023,038,631	63,121,788,332
	(ii) From financial institutions	11,894,735,568	11,741,384,280	9,847,640,519
	(b) ECB From Financial Institutions *	7,114,085,956	7,553,691,040	7,117,446,995
	(c) Optionally Convertiable Sub Debt"- SBI	4,948,522,641	4,950,427,851	
	(d) Optionally Converible Short Term Loan (Priority Loan)	2,944,718,314		
	Total:-	**107,584,709,139**	**98,268,541,801**	**80,086,875,846**
	(2) Unsecured			
	Preference Share Capital	3,128,193,858	2,793,030,230	2,493,776,991
	Total:-	**110,712,902,997**	**101,061,572,031**	**82,580,652,837**

*The securities and terms & conditions of the term loans are given below:-

Purpose:

To part finance the capital expenditure of the Project

Tenure:

Original Rupee Term Loan (RTL) & ECB Loan : Original tenor is 14.5 years door to door and revised to 17 year 3 months door to door.

Additional Term Loan-I (ATL-I): Tenor is 14 years 10 months door to door and revised to 16 year 2 months door to door.

Additional Term Loan-II (ATL-II): Tenor is 13 years 11 months door to door and revised to 15 years 2 moths door to door.

Optionally Convertiable Sub Debt (OCSD) :Tenor 8 years 5 month door to door and revised to 9 years 8 months door to door.

Optionally Convertiable Short Term Loan (OCSTL) :Tenor 3 years 0 month door to door

Security:

Security for RTL, ECB Loan, ATL-I, ATL-II and OCSTL

i) First charge on immovable & movable, present and future, assets of the Company.

ii) First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of the company, present and future, intangibles, goodwill and uncalled capital, present and future;

iii) First charge on the Trust and Retention Account, Debt Service Reserve Account, and other reserves and any other bank accounts of the company wherever maintained, present and future;

iv) First charge or creation of Security interest of;

- All the rights title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, duly acknowledged and consented by the relevant counter parties to such Project Documents;
- All the rights, title interest, benefits, claims and demands whatsoever of the Company in the Clearances;
- All the rights, title, interest, benefits, claims and demands whatsoever, of the Company in letter(s) of credit, guarantees, performance bonds, corporate guarantees, bank guarantees provided by any party to the Project Documents; and
- All Insurance Contracts/ proceeds under Insurance Contracts;

v) A pledge of shares by the Sponsor representing 87.96% (eighty seven point ninty six percent) of the total paid up capital of the company.

The shares of the Company to be pledged shall be free from any restrictive covenants/lien or other encumbrance other than an encumbrance permitted under this Agreement under any contract/ arrangement including shareholder agreement/ joint venture agreement/ financing arrangement with regard to pledge/ transfer of the shares including transfer upon enforcement of the pledge and shall have voting rights of at least 87.96% (eighty seven point ninty six percent); As on 31.03.2017 Jaiprakash Power Ventures Ltd. had pledged 253,91,89,200 no. (previous year 161,83,26,798 no.) Equity Shares in favour of SBICAP Trustee Company Ltd.

vi) A first charge on the Project Land and A pari passu charge along with Karchana Project Lenders on the right of way for the land, for the railway siding and the water pipeline, to the extent such right of way is shared with the Karchana Project.

Additional Security for Additional Loan-I and II

An amount of Rs. 636.38 Crs part of Additional Loan-I and II is secured by personal Guarantee of Sh. Manoj Gaur Director of the Company.

Additional Security for Optionally Convertiable Short Term Loan

Coporate Gaurantee of Jaiprakash Power Ventures Ltd. (Holding Company).

Personal Guarantee of Sh. Manoj Gaur Director of the Company.

Security for Optionally Convertiable Sub Debt :

Second charge on the assets secured for RTL, ECB, ATL-I & II and OCSTL as per above and Additionally secured by Coporate Gaurantee of Jaiprakash Power Ventures Ltd.(Holding Company).

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Rate of Interest:

RTL: One year Marginal Cost of Lending Rate (MCLR) plus 3.40% with monthly rests. Interest to be paid at monthly interval on last day of the month. MCLR as on 01.04.2016 is 9.15%

ECB Loan : on USD 30 Million 6 month USD Libor plus 4.05% and on USD 85 Million 6 month USD Libor plus 3.80% with monthly rests. Interest to be paid at monthly interval on last day of the month at London U.K. USD Libor on 31.03.2017 is 1.29322.

ATL-I: One year Marginal Cost of Lending Rate (MCLR) plus 3.40% with monthly rests. Interest to be paid at monthly interval on last day of the month. MCLR as on 01.04.2016 is 9.15%

ATL-II: One year MCLR plus 3.65% with monthly rests. Interest to be paid at monthly interval on last day of the month. MCLR as on 01.04.2016 is 9.15%

OCSD: One year MCLR plus 8.85% with monthly rests. Interest to be paid at monthly interval on last day of the month. MCLR as on 01.04.2016 is 9.15%

OCSTL: 6.70% above one year MCLR with monthly rests. Interest to be paid at monthly interval on last day of the month. MCLR as on 01.04.2016 is 9.15%

Repayment:

RTL & ECB Loan :- Principal is to be repaid 75% (Seventy Five percent) of the Rupee loan in 40 equal quarterly installments will start after a Mortatorium Period of 3 months from Scheduled Commercial Operation Date and is scheduled from 31.12.2017 till Sept 30, 2027 the entire balance of 25% (twenty five percent) shall be payable by a single bullet installment.

ATL-I:- Principal is to be repaid 75% (Seventy Five percent) of the Additional Term loan in 50 structured quarterly installments will start after a Mortatorium Period of 12 months from Scheduled Commercial Operation Date and is scheduled from 30.09.2018 till Dec 31, 2030 the entire balance of 25% (twenty five percent) shall be payable by a single bullet installment.

ATL-II:- Principal is to be repaid 75% (Seventy Five percent) of the Additional Term loan in 50 structured quarterly installments will start after a Mortatorium Period of 12 months from Scheduled Commercial Operation Date and is scheduled from 30.09.2018 till Dec 31, 2030 the entire balance of 25% (twenty five percent) shall be payable by a single bullet installment.

OCSD:- Principal is to be repaid 24 Structured quarterly installment aggregrating to 100% of the loan, Installments will start from 30.09.2019 (after a Mortatorium Period of 24 months from Scheduled Commercial Operation Date) till 30.06.2024.

OCSTL:- Principal is to be repaid 8 Structured quarterly installment aggregrating to 100% of the loan, Installments will start from 31.12.2017 (after a Mortatorium Period of 3 months from Scheduled Commercial Operation Date) till 30.06.2019.

(Refer Note No-37)

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
15	**Other financial liabilities**			
	Payble for capital expenditure	5,266,598,303	5,153,588,912	2,254,891,955
	Disclosure w.r.t. Micro, Small and Medium Enterprises as required by MSMED Act,2006 are made in Note No.39			
	Total:-	**5,266,598,303**	**5,153,588,912**	**2,254,891,955**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
16	**Long term Provisions**			
	Provision for employee benefit			
	(i) Gratuity	3,556,669	2,409,576	2,091,757
	(ii)Leave Encashment	3,460,683	2,338,487	1,696,490
	Disclosure required by IND AS 19 on 'Employees Benefits' has been made in Note no 34.			
	Total:-	**7,017,352**	**4,748,063**	**3,788,247**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
17	**Other non current liabilities**			
	Deferred liabilities	1,759,332,136	2,480,713,094	1,690,699,428
	Total:-	**1,759,332,136**	**2,480,713,094**	**1,690,699,428**

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PRAYAGRAJ POWER GENERATION COMPANY LIMITED
Notes to Financial Statements

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
18	**Borrowings**			
	Secured			
	(a) Loan from bank *	-	884,300,000	5,000,000,000
	(b) Loan from related party**	-	176,063,933	
	Total:-	-	**1,060,363,933**	**5,000,000,000**

*The Company has taken the short term loan in FY 2015-16 from State Bank of India against additional loan sanctioned for cost overrun-I originally for nine month which is further extended upto Thirteen month which was repaid or adjusted against the additional loan, with an interest rate SBI base rate (9.70%) plus margin of 3.50%. The short term loan was secured by Corporate Guarantee of Jaiprakash Power Ventures Ltd. (Holding Company)

**Related Parties includes Jaiprakash Power Ventures Ltd. Rs. Nil (previous year Rs 15,47,00,000/-) & Sangam Power Generation Company Ltd Rs.Nil (previous year Rs 2,13,63,933/-)

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
19	**Other Financial liabilities**			
	(a) Current maturity of long term debt	6,186,543,750		
	(b) Interest accrued and due on term loan	4,256,206,636	3,086,568,955	
	(c) Payable for Capital Expenditure	4,041,778,812	1,777,089,913	5,313,248,241
	(d) Expenses payble	202,024,828	5,149,836	12,454,343
	(e) Book Overdraft	-		3,750,654
	(f) Audit fee payble	913,500	515,250	511,800
	(g) Employee payble	11,247,888	10,363,392	11,997,721
	(h) Other Payables	310,472,129	73,733,604	57,740
	(i) Cash credit*	3,600,360,237	1,325,013,823	
	Total:-	**18,609,547,780**	**6,278,434,773**	**5,342,020,499**
	* The Security for RTL, ECB Loan, ATL-I, ATL-II and OCSTL rank pari-passu for working Capital limit (Fund based and non fund based). (Refer Note no 14 to the Financial Statement)			

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
20	**Other current liabilities**			
	(a) Statutory Dues	82,926,296	30,347,441	27,415,300
	(b) Advance from customer	2,083,810		
	Total:-	**85,010,106**	**30,347,441**	**27,415,300**

(Amount in Rs)

Note No	Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
21	**Short term Provisions**			
	Provision for employee benefit			
	(i) Gratuity	73,840	63,381	35,023
	(ii)Leave Encashment	603,393	444,641	590,215
	(Disclosure required by IND AS 19 on 'Employees Benefits' has been made in Note no 34.)			
	Total:-	**677,233**	**508,022**	**625,238**

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

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PRAYAGRAJ POWER GENERATION COMPANY LIMITED
Notes to Financial Statements

(Amount in Rs)

Note no	Particulars	For the period ended March 2017	For the period ended March 2016
22	**Revenue from Operation**		
	Sale of Products		
	(a) Sale of Electricity	16,867,826,452	584,492,814
	(b) Sale of Fly ash	55,032,581	
	(c) Other Sales	327,185	
	Total:-	**16,923,186,218**	**584,492,814**

(Amount in Rs)

Note no	Particulars	For the period ended March 2017	For the period ended March 2016
23	**Other Income**		
	Interest Income		
	(a) On Fixed Deposits with Bank	13,777,835	1,286,684
	(b) Other Income	657,998,433	368,113,852
	(c) Liabilities/Provisions no longer required written back	2,722,135	
	(d) Miscellaneous Income	37,274,470	1,275,316
	Total:-	**711,772,873**	**370,675,852**

(Amount in Rs)

Note no	Particulars	For the period ended March 2017	For the period ended March 2016
24	**Cost of material Consumed**		
	(a) Coal	10,301,593,965	178,765,124
	(b) Oil & Other Fuels	342,201,381	1,205,639
	(c) Other Coal handling Cost	2,194,709	
	Total:-	**10,645,990,055**	**179,970,763**

(Amount in Rs)

Note no	Particulars	For the period ended March 2017	For the period ended March 2016
25	**Employee Benefit Expense**		
	(a) Salaries and wages	410,592,299	26,423,520
	(b) Contribution to Provident and other fund	2,145,468	109,804
	(c) Gratuity	750,644	657,621
	(d) Staff Welfare	2,312,006	65,211
	Total:-	**415,800,417**	**27,256,156**

(Amount in Rs)

Note no	Particulars	For the period ended March 2017	For the period ended March 2016
26	**Finance Cost**		
	(a) Interest expenses	9,337,154,985	998,604,417
	(b) Other Financing Charges	152,569,958	6,114,162
	Total:-	**9,489,724,943**	**1,004,718,579**

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

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PRAYAGRAJ POWER GENERATION COMPANY LIMITED
Notes to Financial Statements

(Amount in Rs)

Note no	Particulars	For the period ended March 2017	For the period ended March 2016
27	**Depreciation and Amortization expense**		
	Depreciation on Tangible Assets	2,338,494,988	153,711,837
	Total:-	**2,338,494,988**	**153,711,837**

(Amount in Rs)

Note no	Particulars	For the period ended March 2017	For the period ended March 2016
28	**Other expenses**		
	(a) Power & Fuel	15,065,075	23,093,909
	(b) Repairs & Maintenance - Others	4,868,932	40,759
	(c) Insurance	35,558,400	2,273,478
	(d) Rent Rates & Taxes	4,436,996	2,810,762
	(e) Advertisement Expenses	-	40,000
	(f) Charity & Donation	1,815,000	375,000
	(g) Travelling & Conveyance Expenses	11,610,825	197,619
	(h) Printing & Stationary	539,862	140,210
	(i) Telephone Expenses	1,099,754	
	(j) Plantation Expenses	199,034	1,608
	(k) Security & Medical Expenses	32,540,838	1,796,320
	(l) Telephone Expenses	-	142,410
	(m) Other Administrative & general Expenses	4,233,995	23,221
	(n) Internal Auditor's Fees & Expenses	568,474	15,903
	(o) Power supply Expenses-Net	57,708,026	-
	(p) Corporate Social Responsibility	372,194	13,000
	(q) Testing Fee	321,938	13,203
	(r) Foreign Exchange Loss	-	12,434,244
	(s) Vehicle Running & Hiring Charges	691,513	156,176
	(t) Statutory Audit Fee & Expenses	390,241	22,485
	(u) Tax Audit fee	115,000	-
	(v) Freight & octroi Expenses	-	179,933
	(w) Corporate Guarantee expenses	8,484,561	1,554,496
	(x) Legal & Professional	24,661,559	418,206
	(y) Director's Sitting fee	307,000	118,317
	Total:-	**205,589,221**	**45,861,260**

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29. These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, 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, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at 31.03.2016 , as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the date of transition to Ind AS.

In the Following tables company has explained how the transition from previous GAAP to Ind ASs has affected its Total equity ,Balance sheet and profit & loss :-

29.1 Reconciliation of total equity as previously reported under IGAAP to Ind AS

	As at 31 March 2016	As at 1 April 2015
Total equity (shareholder's funds) under previous GAAP	31,727,334,796	31,231,252,414
Adjustment made :		
Borrowing carried at amortised cost	112,765,368.66	97,393,616
Preference share capital carried at amortised cost	(2,793,030,230)	(2,493,776,991)
Corporate guarantee	13,750,961	1,248,457
Trade payble carried at amortises cost	33,769,262	-
Total adjustment to equity	(2,632,744,638)	(2,395,134,918)
Total equity (shareholder's funds) under per IND AS	**29,094,590,158**	**28,836,117,496**

Reconciliation notes

1. Long term borrowings from Bank and financial institution have been recognised as financial liabilities and have been measured at fair value through amortised cost using effective rate of interest. Interest expense is recgonised using effective rate of interest
2. Redeemable preference share has been recognised as financial liability as per Ind AS 32 and has been measured at amortised cost using effective rate of interest at initial recognition. Interest expenses is recognised on redeemable preference shares using effective rate of interest

3. As per Ind-AS 19- Employee Benefits , actuarial gains and losses have been recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

4. Reclassification as required as per Ind AS Sch III

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29.2 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

Particulars	Mar-16			Opening		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets						
Non Current assets						
Property ,Plant and Equipment	65,122,559,948	(57,390,405)	65,065,169,543	1,289,093,707	(60,098,439)	1,228,995,268
Capital Work in Progress	75,444,226,717		75,444,226,717	120,000,918,349	-	120,000,918,349
Financial Assets			-			
(i) Other Financial assets	62,615,540		62,615,540	639,231,091	-	159,231,091
Other non current Assets		67,184,875	67,184,875	-	57,390,405	57,390,405
	140,629,402,205	**9,794,470**	**140,639,196,675**	**121,929,243,147**	**(2,708,034)**	**121,446,535,113**
Current Assets						
Inventories	290,629,593		290,629,593	188,511,579	-	188,511,579
Financial Assets						
(i)Cash and Cash equivalents	472,404,335		472,404,335	1,427,551,848	-	1,427,551,848
(ii) Trade receivable	1,010,150,430		1,010,150,430	-	-	-
(ii)Bank balance other then (i) above	15,660,887		15,660,887	300,000,000		300,000,000
(iii) other Financial assets	1,736,749,170		1,736,749,170	800,171,550	-	1,280,171,550
Current Tax assets (Net)	50,415,067		50,415,067	47,253,981		47,253,981
Other Current Assets	945,703,778	3,956,491	949,660,269	1,042,230,437	3,956,491	1,046,186,928
	4,521,713,260	3,956,491	4,525,669,751	3,805,719,395	3,956,491	4,289,675,886
Total	**145,151,115,465**	**13,750,961**	**145,164,866,426**	**125,734,962,542**	**1,248,457**	**125,736,210,999**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	31,931,898,000	(6,200,000,000)	25,731,898,000	31,231,898,000	(6,200,000,000)	25,031,898,000
Other Equity	(204,563,204)	3,567,255,362	3,362,692,158	(645,586)	3,804,865,082	3,804,219,496
	31,727,334,796	**(2,632,744,638)**	**29,094,590,158**	**31,231,252,414**	**(2,395,134,918)**	**28,836,117,496**
Non Current Liabilities						
Financial Liabilities						
(i) Borrowings	99,189,112,376	1,872,459,655	101,061,572,031	80,961,900,000	1,618,752,837	82,580,652,837
(ii) Other Financial Liabilities	3,413,226,640	1,740,362,272	5,153,588,912	3,167,960,844	(913,068,889)	2,254,891,955
Provisions	4,748,063		4,748,063	3,788,247	-	3,788,247
Other non current liabilities	-	2,480,713,094	2,480,713,094	-	1,690,699,428	1,690,699,428

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	102,607,087,079	6,093,535,021	108,700,622,100	84,133,649,091	2,396,383,375	86,530,032,466
Current Liabilities Financial Liabilities						
(i) Borrowings	1,060,363,933		1,060,363,933	5,000,000,000	-	5,000,000,000
(ii) Other Financial Liabilities	9,725,474,194	-3447039421	6,278,434,773	5,342,020,499	-	5,342,020,499
Other Current Liabilities	30,347,441		30,347,441	27,415,300	-	27,415,300
Short Term Provisions	508,022		508,022	625,238	-	625,238
	10,816,693,590	(3,447,039,421)	7,369,654,169	10,370,061,037	-	10,370,061,037
Total	**145,151,115,465**	**13,750,961**	**145,164,866,426**	**125,734,962,542**	**1,248,458**	**125,736,211,000**

29.3 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Particulars	**Note No**	**IGAAP As on 31 March 2016**	**Ind AS adjustment during the year**	**Ind AS for the period ended 31 March 2016**
Revenue from operations	18	584,492,814	-	584,492,814
Other income	19	2,562,000	368,113,852	370,675,852
Total Income		587,054,814	368,113,852	955,168,666
Expenses:				
Cost of materials consumed	20	179,970,763	-	179,970,763
Employee benefits expense	21	26,490,566	765,590	27,256,156
Finance costs	22	386,492,503	618,226,076	1,004,718,579
Depreciation and amortization Expense	23	156,419,871	-2,708,034	153,711,837
Other expenses	24	41,598,729	4,262,530	45,861,260
Total expenses		790,972,432	620,546,162	1,411,518,594
Profit before exceptional items and tax		-203,917,618	-252,432,310	-456,349,928
Exceptional Items		-	-	
Profit before tax		203,917,618	252,432,310	-456,349,928
Tax expense:				
(1) Current tax				-
(2) Deferred tax				-
Total tax expenses		-	-	-
Profit/ (loss) for the period		- 203,917,618	- 252,432,310	-456,349,928.28

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Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans			765,590	765,590
Income tax				
		-	**765,590**	**765,590**
Total Other comprehensive income		-	765,590	765,590
Total Comprehensive Income for the period		**-203,917,618**	**-251,666,720**	**-455,584,338**
Earnings per Equity Share				
(1) Basic				
(2) Diluted				

30. Contingent Liability and commitments

Contingent Liability

S No.	Particulars	31.03.2017	31.03.2016
1	Outstanding amount of Letter of credit	92,16,492	22,425,500
	(Margin money against the above)	(92,16,492)	(1,87,04,900)
2	Outstanding amount of Bank Guarantee	107,50,18,826	69,41,20,410
	(Margin money against the above)	(12,10,80,972)	(7,67,06,262)
	(Rupee Term loan earmarked against above)	(49,95,750)	(49,95,750)
3	Residual Charge on the assets of the company in favour of the JPVL Banks for financial assistance (Outstanding Rs. 40,00,00,000/- (previous year : Rs. 635,00,00,000/-])	1500,00,00,000	1500,00,00,000
4	Mining Royalty -Mining Department Allahabad raised a demand for mining royalty for civil excavation at Project site (Company filed appeal along with stay application before the Hon'ble Supreme court against the Judgment of Hon'ble High Court on this demand).	4,45,47,830	4,45,47,830
5	Entry Tax – As per Interim Order passed by Hon'ble Supreme Court dated 23.01.2012, appeal against the Judgment of Allahabad High Court questioning the validity of the U.P. Tax on entry of goods into Local Areas Act, 2007. (Against the total liability of Rs. 28,68,70,376/- (previous year Rs. 14,70,16,780/-) Rs. 28,29,84,830/- paid (previous year Rs. 14,31,31,234/-) and bank	28,68,70,376	14,70,16,780

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	guarantee given Rs. 38,85,546/- (previous year Rs. 38,85,546/-))		
6	Income tax matters under appeal	11,64,76,810	9,22,17,435

Capital Commitments:

Particulars	31.03.2017	31.03.2016
Estimated amount of contracts remaining to be executed on Capital Account and not provided for:		
INR	2,41,73,51,169	6,32,35,32,593
USD	-	8,34,667
EURO	92,383	24,57,816

1. The borrowing cost capitalized during the year is Rs. 5,58,85,98,768/- (Previous year: Rs. 11,66,30,57,099/-). The company capitalized the borrowing costs in the capital work in progress (CWIP). Exchange differences capitalized are disclosed in the addition column of CWIP. Exchange differences in respect of assets already capitalized are disclosed in deductions / adjustment columns of fixed assets.

2. **(a)Value of Import calculated on C.I.F. Basis**

S No.	Particulars	2016-17	2015-16
(i)	Components and spare parts	NIL	NIL
(ii)	Capital Goods	NIL	NIL

(b) Expenditure in Foreign Exchange

S No.	Particulars	2016-17	2015-16
(i)	Professional Consultancy	-	-
(ii)	Travelling Expenses	-	92,785
(iii)	Interest & Finance Charges	42,38,32,982	34,22,98,054

(c) Earnings in Foreign Exchange

S No.	Particulars	2016-17	2015-16
(i)	Earning in Foreign Currency	NIL	NIL

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31. Related party disclosure

The statutes governing an enterprise require disclosure in financial statements of transactions with certain categories of related parties. In particular, attention is focused on transactions with the directors or similar key management personnel of an enterprise, especially their remuneration and borrowings, because of the fiduciary nature of their relationship with the enterprise. Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties.

Name of related party and relationship

I. **Holding Company**
Jaiprakash Power Ventures Limited (JPVL)

II. **Ultimate Holding Company**
Jaiprakash Associates Limited (JAL) (till 17.02.2017 as JPVL was subsidiary of JAL till that date)

III. **Key Management Personnel**

1. Shri Jaiprakash Gaur (Executive Chairman)
2. Shri Manoj Gaur (Director)
3. Shri Sunil Kumar Sharma (Director)
4. Shri Suren Jain (Director)
5. Shri Sunny Gaur (Director)
6. Smt. Urvashi Gaur (Director)
7. Dr.Jagannath Gupta (Director)
8. Shri Kuldip Chand Ganjwal (Director)
9. Shri Rakesh Sharma (Director)
10. Shri Gajendra Pal Singh (Director)
11. Shri Raj Kumar Narang (Director)
12. Shri Ravindra Kumar Singh (Director)
13. Shri R. N. Bhardwaj (KMP of JPVL)
14. Shri B. B. Tandon (KMP of JPVL)
15. Shri A. K. Goswami (KMP of JPVL)
16. Shri Gyan Prakash Gaur (KMP of JPVL)
17. Shri S. S. Gupta (KMP of JPVL)
18. Shri Praveen Kumar Singh(KMP of JPVL)
19. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
20. Shri D. P. Goyal (KMP of JPVL)
21. Shri K. N. Bhandari (KMP of JPVL)
22. Shri ArunBalakrishnan (KMP of JPVL)
23. Shri Atanu Sen (KMP of JPVL)
24. Shri S. L. Mohan (KMP of JPVL)
25. Shri Umesh Jain (KMP of JPVL)
26. Ms. Sunita Joshi (KMP of JPVL)
27. Shri K. P. Rau (KMP of JPVL)
28. Shri M. K. V. Rama Rao (KMP of JPVL)

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IV. Fellow Subsidiary Companies

1 Jaypee Power grid Limited (**JV subsidiary** of JPVL)

2 Jaypee Arunachal Power Limited (**JV subsidiary** of JPVL)

3 Sangam Power Generation Company Limited (subsidiary of JPVL)

4 Jaypee Meghalaya Power Limited (subsidiary of JPVL)

5 Bina Power Supply Limited (subsidiary of JPVL)

6 Jaypee Infratech Limited (JIL) (subsidiary of JAL) (till 17.02.2017)

7 BhilaiJaypee Cement Limited (**JV subsidiary** of JAL) (till 17.02.2017)

8 Himalyan Expressway Limited (subsidiary of JAL) (till 17.02.2017)

9 Gujarat Jaypee Cement & Infrastructure Limited (**JV subsidiary** of JAL) (till 17.02.2017)

10 Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL) (till 17.02.2017)

11 Jaypee Agra Vikas Limited (subsidiary of JAL) (till 17.02.2017)

12 Jaypee Fertilizers & Industries Limited (subsidiary of JAL) (till 17.02.2017)

13 Jaypee Cement Corporation Limited (subsidiary of JAL) (till 17.02.2017)

14 Himalyaputra Aviation Limited (subsidiary of JAL) (till 17.02.2017)

15 Jaypee Assam Cement Limited (subsidiary of JAL) (till 17.02.2017)

16 Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL) (till 17.02.2017)

17 Jaypee Healthcare Limited (subsidiary of JIL) (till 17.02.2017)

18 Jaypee Cement Hockey (India) Limited (subsidiary of JAL) (till 17.02.2017)

19 Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL) (till 17.02.2017)

Note: **Jaiprakash Power Ventures Limited** (JPVL) ceased to be a subsidiary of JAL as it allotted 51% of its share capital to its various lenders on 18.02.2017 and consequently, JAL's holding in JPVL reduced to 29.74%. Accordingly, Company (PPGCL) also ceased to be subsidiary of JAL and Accordingly, Fourteen subsidiaries of JAL (mentioned at S. No. 6 to 19 above) also ceased to be fellow subsidiaries of the Company from that date.

V. Associate Companies:

1. Jaiprakash Associates Limited (JAL) (w.e.f. 18.02.2017, it became Associate in place of Ultimate Holding Company)
2. Companies as per S. No. IV (6) to IV (19) above have become associate companies w.e.f 18.02.2017, in place of Fellow Subsidiary Companies
3. MP Jaypee Coal Limited (**JV Associate** of JAL) (till 17.02.2017)
4. MP Jaypee Coal Fields Limited (**JV Associate** of JAL) (till 17.02.2017)
5. Madhya Pradesh Jaypee Minerals Limited (**JV Associate** of JAL) (till 17.02.2017)
6. Jaypee Uttar Bharat Vikas Private Limited (**JV Associate** of JAL) (till 17.02.2017)
7. Kanpur Fertilizers & Cement Limited (**JV Associate** of JAL) (till 17.02.2017)
8. Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV) (Associate of JAL) (till 17.02.2017)
9. Jaypee Development Corporation Limited (JDCL) (Subsidiary of JIV) (till 17.02.2017)

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10. Andhra Cements Limited (subsidiary of JDCL) (till 17.02.2017)
11. JIL Information Technology Limited (JILIT) (Subsidiary of JIV) (till 17.02.2017)
12. Gaur &Nagi Limited (Subsidiary of JILIT) (till 17.02.2017)
13. Jaypee International Logistics Company Private Limited (subsidiary of JIV)(till 17.02.2017)
14. Tiger Hills Holiday Resort Private Limited (subsidiary of JDCL) (till 17.02.2017)
15. Anvi Hotels Private Limited (subsidiary of JIV) (**dissolved w.e.f. 16.07.16**)
16. Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV) (till 17.02.2017)
17. Ibonshourne Limited (subsidiary of IEPL w.e.f. 11.01.16) (till 17.02.2017)
18. RPJ Minerals Private Limited (RPJMPL) (Associate of JAL) (till 17.02.2017)
19. Sarveshwari Stone Products Private Limited (subsidiary of RPJMPL) (till 17.02.2017)
20. Rock Solid Cement Limited (subsidiary of RPJMPL) (till 17.02.2017)
21. Sonebhadra Minerals Private Limited (Associate of JAL) (till 17.02.2017)
22. Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) (w.e.f. 25.03.2017, it became a subsidiary of JAL, hence Associate of Company w.e.f. that date) (new name Yamuna Expressway Tolling Limited w.e.f. 05.04.2017)

KMP based Associate Cos.

23. Jaiprakash Kashmir Energy Limited
24. Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017)(KMP based Associate Co. till 24.03.2017)(w.e.f. 25.03.2017, it became a subsidiary of JAL) (new name Yamuna Expressway Tolling Limited w.e.f. 05.04.2017)
25. Ceekay Estates Private Limited
26. Jaiprakash Exports Private Limited
27. Bhumi Estate Developers Private Limited
28. Pac Pharma Drugs and Chemicals Private Limited
29. Jaypee Jan SewaSansthan ('Not For Profit' Private Limited Company
30. Think Different Enterprises Private Limited
31. JC World Hospitality Private Limited
32. JC Wealth & Investments Private Limited
33. Librans Venture Private Limited
34. Librans Real Estate Private Limited
35. Akassva Associates Private Limited
36. Renaissance Lifestyle Private Limited
37. Ohm Products Private Limited
38. Lucky Strike Financers Private Limited
39. Samvridhi Advisors LLP
40. Sandhar Hospitality
41. CK World Hospitality Private Limited

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32. Transactions carried out with related parties referred to above:

(Amount in Rs)

S No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1.)	**With Holding Company**		
	- Residual Charge on Assets of the Company in favour of Banks for Financial Assistance to Jai Prakash Power Ventures Limited as referred to in 1 (i) above	40,00,00,000	635,00,00,000
	- Short Term Borrowings	-	15,47,00,000
	- Outstanding (debit)/ credit	-	15,47,00,000
	- Outstanding credit for Bara Cement Grinding Unit	8,00,00,000	8,00,00,000
	-Corporate Guarantee Issued to Bank for Financing the Project	1100,00,00,000	500,00,00,000
	Jaypee Nigrie Super Themal Power Project (a unit of 1(i) above)		
	- Purchases	-	-
	- Outstanding (debit)/ credit	4000	3,13,95,266
	Jaypee Bina Themal Power Project (a unit of 1(i) above)		
	- Purchases	-	1,18,56,656
	- Outstanding (debit)/ credit	85,90,030	2,24,94,764
2.)	**Ultimate-Holding Company (till 17.02.2017)**		
	(i) Jaiprakash Associates Limited		
	- Transactions during the year (01.04.16 to 17.02.17)		
	(a) Purchases	3,99,55,118	24,85,36,688
	(b) Civil Work Contract	185,58,57,619	60,62,33,457
	(c) Sale of Fly Ash	97,97,215	
	- Outstanding (debit) / credit		
	(a) Performance Bank Guarantee given on behalf of the company.	150,00,00,000	150,00,00,000
	(b) Corporate Guarantee received during the year.	-	-
	(c) Corporate Guarantee closing balance.	165,49,14,000	175,49,14,000
	(d) Net payables	2,12,50,21,875	(129,68,25,624)
3.)	**Fellow Subsidiaries of the Holding Company**		
	Sangam Power Generation Co. Ltd.(a unit of 1(i) above)		
	- Short Term Borrowings	-	2,13,63,933
	- Outstanding (debit)/ credit	-	2,13,63,933
4.)	**Fellow Subsidiaries of the ultimate Holding Company(01.04.16 to 17.02.2017)**		
	Himalyaputra Aviation Ltd.		
	- Transactions during the year	63,42,581	21,59,472

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	- Outstanding (debit) / credit		
	Net payables	45,20,000	-
4.)	**Associate Company**		
	(i) Jaypee Development Corporation Limited(Associate till 17.02.2017)		
	- Services	4,84,54,172	5,39,27,829
	- Outstanding (debit)/ credit	66,90,222	3,71,65,831
	(i) Jaypee Infra Ventures (Associate till 17.02.2017)		
	Outstanding (debit) / credit		
	- Services (Up to 17.02.17)	56,98,661	
	-Net payables	7,87,500	
	(iii) Jaiprakash Associates Limited		
	- Transactions during the year(18.02.17 to 31.03.2017)		
	(a) Purchases	5,20,98,536	
	(b) Civil Work Contract	209,85,97,626	
	(c) Sale of Fly Ash	1,16,82,531	
	(iv) Himalyaputra Aviation Ltd.		
	- Transactions during the year	67,80,000	
	- Outstanding (debit) / credit		
	Net payables	1,13,00,000	
5.)	**Transactions with Key Management Personnel**		
	Salary, Perquisite and other benefits (Director Sitting Fee)	5,70,000	5,15,250

33. The Company is incurring heavy losses being the initial years of commercial production. Deferred Tax assets is not recognized on account of absence of virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

34. Gratuity and Leave encashment - Defined Benefit Plan - Provision made as per Actuarial Valuation for the current year

34.1 Summary of Actuarial assumptions

Particulars	**2016-17**	**2015-16**
Discount Rate	7.5%	8.0%
Mortality	IALM (2006-2008)	IALM (2006-2008)
Turnover Rate	Up to 30 years 2%, from 31-44 years 5%, Above 44 years 3%.	Up to 30 years 2%, from 31-44 years 5%, Above 44 years 3%.

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34.2 Movement in defined benefit obligations and amount recognised in the statement of Profit and loss:-

(Amount in Rs)

S No.	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	2016-17	2015-16
1	**Expenses recognized in the statements of Profit and Loss Account for the year ended 31st March, 2017**				
	(i) Current Service Cost	**999,413**	851,224	**1,288,341**	1,078,283
	(ii) Interest Cost	**197,837**	170,142	**222,650**	182,936
	(iii) Benefits Paid	**(60,755)**	(27,657)	**(229,008)**	(646,738)
	(iv) Actuarial (Gains)/ Losses	**21,057**	(647,532)	**(1,035)**	(118,058)
	Total Expenses Recognized	**1,157,552**	346,177	**1,280,948**	496,423
2	**Net Assets/(Liability) recognized in the Balance Sheet as at 31st March, 2017**				
	(i) Present Value of Defined Benefit Obligation	**3,630,509**	2,472,957	**4,064,076**	2,783,128
	(ii) Fair Value of Plan Assets	**361,992**	394,545	-	-
	(iii) Unfunded Liability/Provision in balance sheet	**(3,268,517)**	(2,078,412)	**(4,064,076)**	(2,783,128)
	(iv) Unfunded Liability recognised in balance sheet	**(3,268,517)**	(2,078,412)	**(4,064,076)**	(2,783,128)
3	**Change in obligation during the year ended 31st March, 2017**				
	(i) Present Value of Defined Benefit Obligation at the beginning of the year	**2,472,957**	2,126,780	**2,783,128**	2,286,705
	(ii) Current Service Cost	**999,413**	851,224	**1,288,341**	1,078,283
	(iii) Interest Cost	**197,837**	170,142	**222,650**	182,936
	(iv) Actuarial (Gains)/ Losses	**21,057**	(647,532)	**(1,035)**	(118,058)
	(v) Benefit Payments	**(60,755)**	(27,657)	**(229,008)**	(646,738)
	(vi) Present Value of Defined	**3,630,509**	2,472,957	**4,064,076**	2,783,128

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	Benefit Obligation at the end of the year				
4	**Change in Assets during the year ended 31st March, 2017**				
	(i) Fair value of plan assets at the beginning of the period	**389,076**	394,545	-	-
	(ii) Actual return on plan assets	**33,126**	28,202	-	-
	(iii) Employer contribution	--	--	-	-
	(iv) Benefits paid	**(27,657)**	(60,755)	-	-
	(v) Fair value of plan assets at the end of the period	**394,545**	361,992	-	-

34.3 Estimated Payments :-

The Expected cash flows over the next few years are as Follows:-

(Amount in Rs)

Year	**Gratuity**	**Leave Encashment**
1 Year	13,840	6,03,393
2-3 Year	2,35,042	28,80,21
4-6 Year	10,36,808	6,98,742
Beyond 6 years	22,84,819	24,73,920

34.4 Sensitivity analysis for the year ended 31.03.2017

(Amount in Rs)

a) Impact of the change in discount rate		**Gratuity**	**Leave Encashment**
	Present Value of Obligation at the end of the period	**36,30,509**	**40,64,076**
a)	Impact due to increase of 0.50 %	(1,54,087)	(1,79,894)
b)	Impact due to decrease of 0.50 %	1,68,440	1,96,159
b) Impact of the change in salary increase			
	Present Value of Obligation at the end of the period	36,30,509	40,64,076
a)	Impact due to increase of 0.50 %	1,70,936	1,99,056
b)	Impact due to decrease of 0.50 %	(1,57,601)	(1,84,002)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated

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35. Financial instrument

(i) Capital management

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

(Amount in Rs)

Partciulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt*	1	111,899,446,747	97,121,935,964	87,580,652,837
Cash and bank balances	2	281,403,072	488,065,222	1,727,551,848
Net debt	**3= (1-2)**	111,618,043,675	96,633,870,742	85,853,100,989
Total Equity**	4	29,061,629,603	34,094,590,158	28,836,117,496
Total Debt & Equity	**5= (3+4)**	140,679,673,278	130,728,460,900	114,689,218,485
Net debt to equity ratio	**6= (3/5)**	79.34%	73.92%	74.86%

* Debt is defined as long-term and short-term borrowings excluding the OCSD borrowing of Rs. 500 Crore which was considers as equity.

** Total Equity is sum of Equity Share Capital, Other Equity and OCSD borrowing of Rs. 500 Crore

(ii) Categories of financial instruments

Financial assets	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Measured at amortised cost			
a) cash and cash equivalent including bank balance	2814,03,072	4880,65,222	17275,51,848
b) Loan			
c) Other financial assets	92,24,19,492	16712,04,714	6643,11,091
d) Trade receivable	54999,55,081	10101,50,430	-
Total	**670,37,77,645**	**31694,20,366**	**23918,62,939**

Financial liabilities	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**
Measured at amortised cost			
a) Long term borrowing	1107129,02,997	1010615,72,031	825806,52,837
b)short term borrowing	-	10603,63,933	50000,00,000
b) Trade payable			
c) other financial liability	238761,46,083	114320,23,685	75969,12,454
Total	**1345890,49,080**	**1135539,59,649**	**951775,65,291**

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(iii) Fair value measurement (FVM)

The Following table provides the FVM hierarchy of the Financial Liabilities

Particulars	Fair value as at			Fair value hierarchy
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Level1,2,3*
Financial Liabilities				
Borrowing	1107129,02,997	1010615,72,031	825806,52,837	Level 2
Payable for capital expenditure	52665,98,903	51535,88,912	22548,91,955	Level 2

*Level-1 Quoted Prices in Active Markets
*Level-2 Significant Observable inputs
*Level-3 Significant Unobservable inputs

(iv) Financial risk management:

(a) Interest rate risk management

The company is exposed to interest rate risk because company borrows funds at floating interest rates. The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If increase by 50 basis point		**Interest Impact**	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**
Impact on profit for the year	(573,576,500)	(495,945,562)	(404,809,500)
Impact on total equity as at the end of the reporting period	(573,576,500)	(495,945,562)	(404,809,500)
If decrease by 50 basis point	**Interest Impact**		
Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**
Impact on profit for the year	573,576,500	495,945,562	404,809,500
Impact on total equity as at the end of the reporting period	573,576,500	495,945,562	404,809,500

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(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the company may be required to pay.

Liquidity Risk

Particulars	Within 1 year	1-3 years	3+ years	Total
As at March 31, 2017				
Borrowing	6,186,543,750	25,108,805,500	83,419,950,750	114,715,300,000
Other financial liabilities	18,609,547,780	6,259,553,539		24,869,101,319
Total	**24,796,091,530**	**31,368,359,039**	**83,419,950,750**	**139,584,401,319**

Particulars	Within 1 year	1-3 years	3+ years	Total
As at March 31, 2016				
Borrowings	1,060,363,933	17,500,446,715	81,688,665,660	100,249,476,309
Other financial liabilities	6,278,434,773	6,860,266,061		13,138,700,834
Total	7,338,798,706	24,360,712,776	81,688,665,660	113,388,177,143

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Particulars	Within 1 year	1-3 years	3+ years	Total
As at March 31, 2015				
Borrowings	5,000,000,000	9,248,838,750	71,713,061,250	85,961,900,000
Other financial liabilities	5,342,020,499	3,167,960,844		8,509,981,343
Total	**10,342,020,499**	**9,248,838,750**	**71,713,061,250**	**94,471,881,343**

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency convertible bond, the company is exposed to foreign exchange risk

The following table details the company's sensitivity to a 2% increase and decrease in the Rs. against the USD. 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the rupee strengthens 2% against the relevant currency. For a 2% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
USD Currency Impact	+200	+200	150,190,000	153,571,000
	- 200	- 200	150,190,000	153,571,000

(v) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

Particulars	Carrying value		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
i) Financial assets - Current			
Trade receivables	54999,55,081	10101,50,430	-
Cash and cash equivalents	2366,72,272	4724,04,335	14275,51,848
Bank Balances	447,30,800	156,60,887	3000,00,000
Other Financial assets	8350,15,934	16085,89,174	5050,80,000
ii) Financial liabilities - Current			
Borrowings	-	10603,63,933	50000,00,000
Other Financial liabilities	186095,47,780	62784,34,773	53420,20,499

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(vi) Credit Risk :-

The average credit period on sales of goods is -30 days.

The following are the list which is represents more than 5% of total balance of trade receivable.

(Amount in Rs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Uttar Pradesh Power Corporation Limited (UPPCL)	546,61,56,302	101,01,50,430	NIL

(Amount in Rs)

Ageing of receivables	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
Within the credit period	201,91,08,863	101,01,50,430	NIL
1-30 days past due	197,57,53,694	NIL	NIL
31-60 days past due	150,20,30,782	NIL	NIL
61-90 days past due	24,23,912	NIL	NIL
More than 90 days past due	637,830	NIL	NIL
Total	**549,99,55,081**	**101,01,50,430**	**NIL**

36. Assets Impairment :-

In terms of Ind-AS 36, the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.

37. Events Occurring After Balance Sheet Date -Debt Restructuring :-

During the current financial year the Joint Lenders Forum considering a revival plan interalia envisaging Debt restructuring under S4A guidelines of RBI. Lenders evaluated the options for restructuring of the debt (Flexible Structuring/ SDR/ S4A in JLF meeting held on 26th May 2017) and agreed to invoke RBI's "Scheme for Sustainable Structuring of Stressed Assets (S4A)" dated 13th June 2016 as amended from time to time.

Under the scheme after finalisation sustainable/ unsustainable debt including the interest fallen/ falling due till finalisation of the scheme convert part into Equity and partly in to Funded Interest Term Loan (FITL) in terms of the above RBI Guidelines

38. Amount Due to SSI unit:-

Trade payable does not include any amount due to Small Scale Industrial Undertaking; to the extent such parties have been identified from available information with the company.

39. Amount Due to Micro and Small Enterprises

Trade Payable do not include any amount due to Micro and Small enterprises under "The Micro, Small and Medium Enterprises Development Act' 2006 ('MSMED Act')"; to the extent such parties have been identified from available information with the company.

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40. Specified Banks note

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows

Amount in Rs.

Particulars	Specified Bank Notes (SBNs)(1)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	655,000	103,049	758,049
(+) Permitted Receipts	-	1,853,067	1,853,067
(-) Permitted payments	-	1,092,823	1,092,823
(-) Amount deposited in Banks	655,000	-	655,000
Closing cash in hand as on 30.12.2016	-	520,950	863,293

(1) **For the purpose of this clause, the term of 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.**

41. Wherever the balance confirmation is not available from the parties, the balance as appearing in the books of accounts have been considered.

42. The previous year figures have been regrouped /reclassified wherever necessary to confirm to the current year's presentation.

For Dass Gupta & Associates
Chartered Accountants
F.R.N. 000112N

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(Pankaj Mangal)
Partner
M.No. 097890

For and on behalf of the board

(Jai Prakash Gaur)
Executive Chairman
DIN 00008085

(Suresh Jain)
Director
DIN 00011026

(Manoj Gaur)
Director
DIN 0000848

(Rajeev Kumar)
Company Secretary

(Ramesh Chand Sharma)
CFO

Place: Delhi
Dated: 28.05.2017