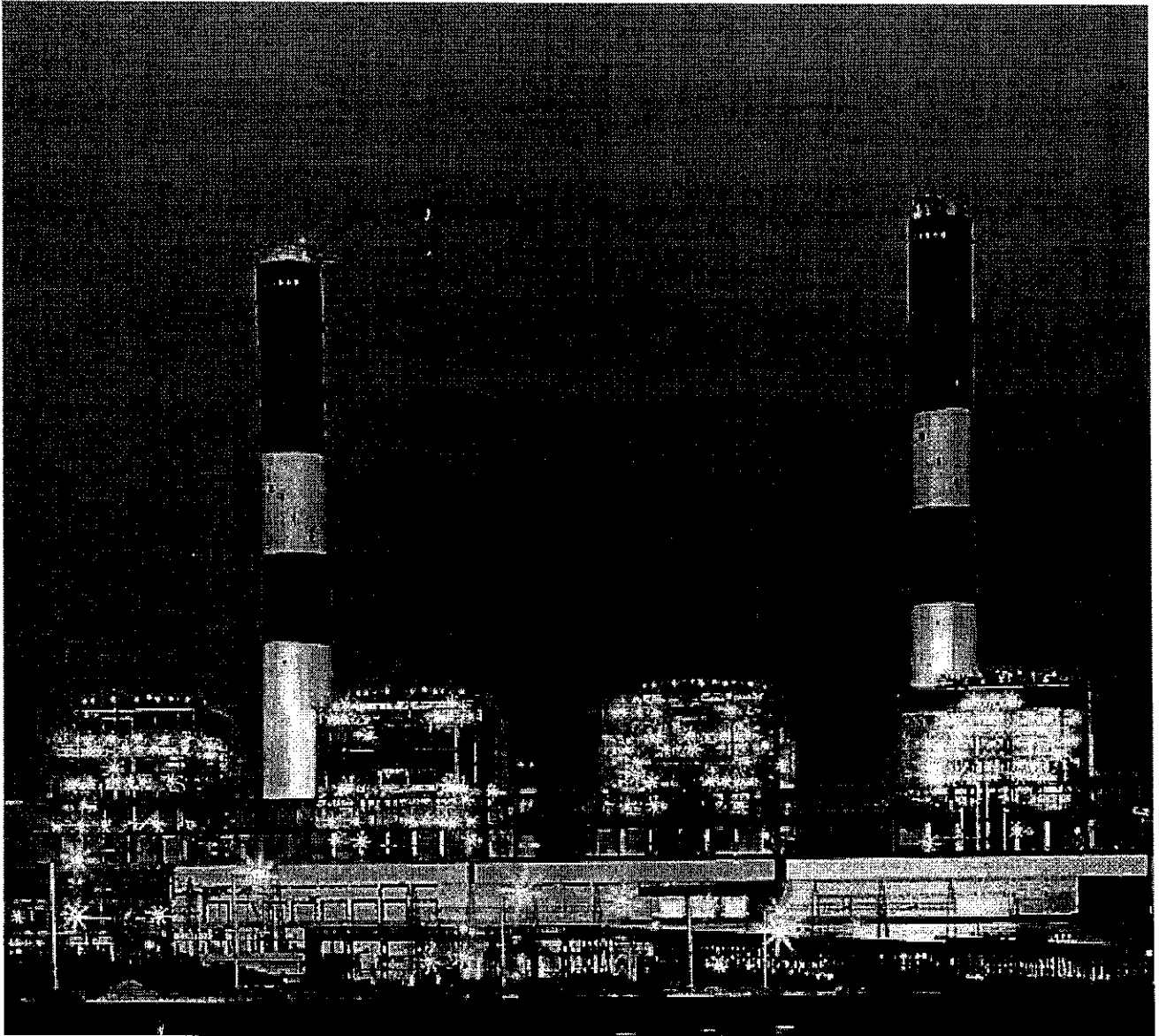


BHANDARA THERMAL POWER CORPORATION LIMITED



**8th ANNUAL REPORT
2015-2016**

CORPORATE INFORMATION:

DIRECTORS:

SRI T.RAJIV REDDY

SMT T.SARITA REDDY

SRI V.L.MURTHY

SRI P.PURNA CHANDER RAO

AUDITORS:

M O S & ASSOCIATES LLP

FLAT NO.501, LAHARI BENZ APTS,

RAJ BHAVAN ROAD

SOMAJIGUDA

HYDERABAD-500 082

REGISTERED OFFICE:

6-3-1090, TSR TOWERS

RAJBHVAN ROAD,

SOMAJIGUDA,

HYDERABAD- 500 082.



Independent Auditors' Report

To the members of Bhandara Thermal Power Corporation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bhandara Thermal Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

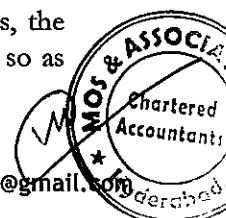
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so as



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 as at 31st March 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

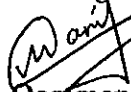
1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit;
 - b. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. with respect to the other matters to be included in the Auditors' 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 as at 31st March 2016, which would impact its standalone financial position in its standalone financial statements;
 - ii. the Company does not have any long term contracts with material foreseeable losses and did not have any long-term derivative contracts as at 31st March 2016;
 - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2016.

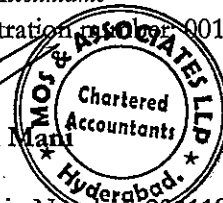
Hyderabad, May 27, 2016

for M O S & Associates LLP

Chartered Accountants

Firm registration number: 001975S/S200020


Oommen Mani
Partner
Membership Number: 234119



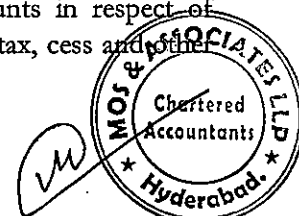
Annexure A to the Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) In respect of Fixed Assets
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - 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) As explained to us, and according to the information and explanations given to us by the management, the Company does not have any physical inventories. Hence paragraph 3(ii) of the Order is not applicable for the current year under report.
- (iii) The Company has granted unsecured loans to companies, parties covered in the register maintained under Section 189 of the Act. In respect of such loans:
- In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - In the case of the loan granted to the company listed in the register maintained under section 189 of the Act, the borrower is not regular in the payment of the interest.
 - There are overdue amounts for more than 90 days in respect of the loan granted to a company listed in the register maintained under section 189 of the Act as stated below and the company has taken reasonable steps to recover the said interest amount.

Particulars	Amount (Rs)	No. of days delayed
Interest Overdue	5,68,10,958	91
Total	5,68,10,958	

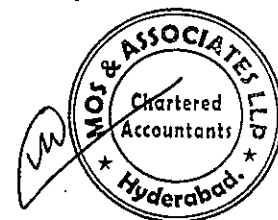
- (iv) According to the information and explanation given to us the company has obtained an opinion from an expert regarding the non applicability of provisions of sec 185 and sec 186 of the act for the Company. Hence provisions of clause 3(iv) of the order are not applicable for the current year under report.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year. Hence paragraph 3(v) of the Order is not applicable for the current year under report.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of any cost records under Section 148 (1) of the Act for the current level of activities of the Company. Hence paragraph 3(vi) of the Order is not applicable for the current year under report.
- (vii) In respect of statutory dues
- According to the information and explanations given to us, and based on our examination of records the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, value added tax, cess and other



material statutory dues have not been regularly deposited during the year by the Company with appropriate statutory authorities and there have been significant delays. According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income tax, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 for a period more than six months from the date they became payable are as specified in table below.

Name of Statute	Nature of the Dues	Amount (Rs)	Period to which amount relates	Due Date	Date of Payment
Income Tax act, 1961	Tax deducted at source	56,81,096	2015 -16	7 th January, 2016	Not yet paid

- b. According to the information and explanations given to us and based on our examination of records of the Company, there are no material dues of provident fund, income tax, value added tax, cess and other material statutory dues which have not been deposited as on 31st March 2016 with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and based on our examination of records, the Company has not defaulted in repayment of principal amount of loans to a financial institution as at the balance sheet date.
- (ix) According to the information and explanations given to us and based on our examination of records, the Company has not raised any money from public by the way of initial public offer or further public offer (Including debt Instruments) during the year under review and according to the information and explanations given to us and based on our examination of records, the terms loan availed by the Company was, prima facie, applied for the purpose for which it was obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
- (xi) According to the information and explanations given to us and based on examination of records, the provisions of Section 197 of the Act are not applicable to the Company. Hence paragraph 3 (xi) of the Order is not applicable for the current year under report.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, paragraph 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on examination of records of the Company, transactions with related parties are in compliance of 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 given to us and based on examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, paragraph 3 (xiv) of the Order is not applicable for the current year under audit.
- (xv) According to the information and explanations given to us and based on examination of records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with him. Hence paragraph 3(xv) of the Order is not applicable for the current year under report.

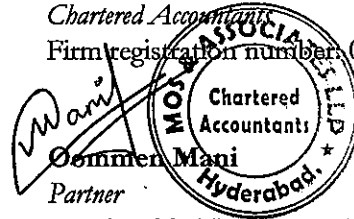


(xvi) The Company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934. Hence paragraph 3 (xvi) of the Order is not applicable for the current year under report.

for **M O S & Associates LLP**

Chartered Accountants

Firm registration number: 001975S/S200020



Omman Mani

Partner

Membership Number: 234119

Hyderabad, May 27, 2016

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 Bhandara Thermal Power Corporation Limited ("the Company"), as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for the 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

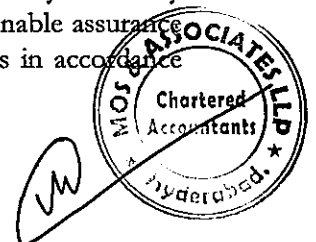
We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, 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 were established and maintained and if such controls operating effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 auditors' judgment including the assessment of the risk 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 control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control system 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 (GAAP). A Company's internal financial control system over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, 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 authorization of the Management and Directors' of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial control system over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control system over financial reporting to future periods are subject to the risk that the internal financial control system over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

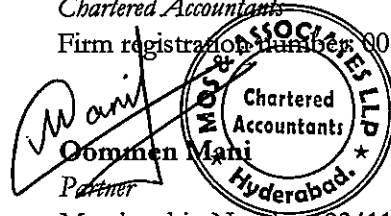
Opinion

In our opinion, the Company has, in all respects, an adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at 31st March 2016, based on the internal financial control system 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

for M O S & Associates LLP

Chartered Accountants

Firm registration number: 001975S/S200020



Membership Number: 234119

Hyderabad, May 27, 2016

BHANDARA THERMAL POWER CORPORATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

Amount in Rs.

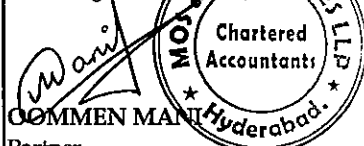
Particulars		Note No.	As at 31st March 2016		As at 31st March 2015	
A	EQUITY AND LIABILITIES					
1	Shareholders' Funds:					
	a. Share Capital	2	4,98,33,340		4,98,33,340	
	b. Reserves & Surplus	3	(36,96,563)	4,61,36,777	(23,02,781)	4,75,30,559
2	Non Current Liabilities					
	a. Long - term Borrowings	4		2,35,58,66,618		84,53,26,618
3	Current Liabilities					
	a. Other current liabilities	5		13,05,07,817		7,15,235
	TOTAL			2,53,25,11,212		89,35,72,412
B	ASSETS					
1	Non - current assets					
	a. Fixed Assets					
	(i) Tangible assets	6a	62,21,15,373		62,11,40,373	
	(ii) Intangible assets	6b	97,219		97,219	
	(iii) Capital work-in-progress	6c	6,36,84,768		5,82,95,999	
	b. Long term loans and Advances	7	1,50,00,00,000	2,18,58,97,360	-	67,95,33,591
2	Current Assets					
	a. Cash and cash equivalents	8	2,38,688		7,34,522	
	b. Short-term loans and advances	9	21,97,25,318		21,18,25,364	
	c. Other current assets	10	12,66,49,846	34,66,13,852	14,78,935	21,40,38,821
	TOTAL			2,53,25,11,212		89,35,72,412
	Significant accounting policies	1				
	Other notes forming part of the Financial Statements	14				

As per our report of even date attached

For MOS & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No: 0019735/S260020



Partner

Membership No: 234119

Place: Hyderabad

Date : 27.05.2016

For and on behalf of the Board

T.R.
T. RAJIV REDDY
 Director
 DIN: 06859435

P.P.
P.PURNACHANDER RAO
 Director
 DIN:02230190

BHANDARA THERMAL POWER CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Amount in Rs.

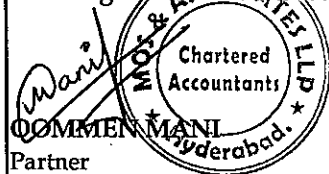
Particulars		Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
1	Revenue			
	a. Other Income	11	18,45,66,436	-
2	Total Revenue		18,45,66,436	-
3	Expenses			
	a. Finance costs	12	17,70,66,436	1,59,682
	b. Other expenses	13	88,93,782	-
4	Total Expenses		18,59,60,218	1,59,682
5	Profit/ (Loss) before tax		(13,93,782)	(1,59,682)
6	Tax Expense		-	-
7	Profit/(Loss) after tax for the year		(13,93,782)	(1,59,682)
8	Earnings Per Share (EPS) - Basic and Diluted	14.11	N.A.	N.A.
	Significant accounting policies	1		
	Other Notes forming part of the Financial Statements	14		

As per our report of even date attached

For M O S & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 001975/S/5200020



Partner

Membership No: 234119

For and on behalf of the Board

T. RAJIV REDDY

Director

DIN: 06859435

P. PURNACHANDER RAO

Director

DIN: 02230190

Place: Hyderabad

Date : 27.05.2016

BHANDARA THERMAL POWER CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

Amount in Rs.

PARTICULARS		For the year ended 31st March 2016	For the year ended 31st March 2015
A	Cash flow from operating activities		
	Profit before tax	(13,93,782)	(1,59,682)
	Movements in working capital :		
	Increase/ (decrease) in other current liabilities	12,97,92,582	1,02,790
	Increase/ (decrease) in other Current Assets	(12,51,70,911)	-
	Net cash flow from/ (used in) operating activities (A)	32,27,889	(56,892)
B	Cash flows from investing activities		
	Purchase of fixed assets including changes in CWIP	(63,63,769)	(45,01,526)
	(Increase)/ decrease in Short-term loans and advances	(78,99,954)	(81,16,629)
	(Increase)/ decrease in Long-term loans and advances	(1,50,00,00,000)	-
	Net Cash from Investing Activities (B)	(1,51,42,63,723)	(1,26,18,155)
C	Cash flows from financing activities		
	Proceeds from Secured Term Loan	1,50,00,00,000	-
	Proceeds from Unsecured Term Loan	1,05,40,000	1,33,02,067
	Net cash flow from/ (used in) in financing activities (C)	1,51,05,40,000	1,33,02,067
D	Net increase/(decrease) in cash and cash equivalents (A + B + C)	(4,95,834)	6,27,020
	Cash and cash equivalents at the beginning of the year	7,34,522	1,07,502
E	Cash and cash equivalents at the end of the year	2,38,688	7,34,522

Note:

1. See accompanying notes forming part of the Financial Statements.
2. The Cash Flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 issued by ICAI on Cash Flow Statements.
3. Figures in brackets represent Cash Outflows.
4. Previous year Figures are regrouped where ever considered necessary to conform to the current year's presentation.

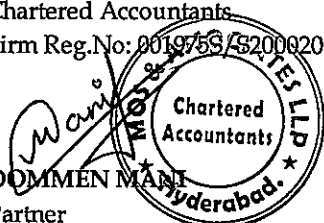
As per our report of even date attached

For M O S & ASSOCIATES LLP

Chartered Accountants

Firm Reg.No: 0019753/S200020

MOOMEN MANSUR
Partner
Membership No: 234119



For and on behalf of the Board

T. RAJIV REDDY
Director
DIN: 06859435

P.PURNACHANDER RAO
Director
DIN: 02230190

Place: Hyderabad

Date : 27.05.2016

1. SIGNIFICANT ACCOUNTING POLICIES

i. Method of Accounting

"The Company's Financial statements have been prepared to comply with generally accepted accounting principles (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered. The Financial statements are prepared on accrual basis following the historical cost convention. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

ii. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/ materialized.

iii. Revenue Recognition

a) Other Income

Interest income is accounted on accrual basis as per applicable interest rates and on time proportion basis taking into account the amount outstanding.

iv. Fixed Assets and Depreciation

a) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discount), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

b) Capital Work-In-Progress

Tangible assets which are purchased but not yet ready for the intended use on the date of balance sheet are disclosed as "Capital Work-In-Progress".

c) Depreciation and Amortization

In respect of fixed assets (other than Land and Capital Work-In-Progress) depreciation/amortization is charged on a straight line basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013.

v. Foreign Currency Transactions

- a) Foreign exchange transactions are accounted at the rates prevailing on the date of transactions.
- b) Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.
- c) Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

vi. Investments:

Investments are classified as Non - current and current Investments. Non - current Investments are carried at cost less provision for permanent diminution, if any, in the value of such investments. Current Investments are carried at lower of cost and fair value.

vii. Borrowing Costs:

Borrowing Costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended to use. A qualifying asset is one that requires substantial period of time to get ready for its intended use.

viii. Earnings per Share

Basic and Diluted Earnings per Share (EPS) is reported in accordance with Accounting Standard (AS) – 20, "Earnings per Share", issued by the Institute of Chartered Accountants of India and notified under Companies (Accounting Standards) Rules, 2006. EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year.

ix. Provisions and Contingent Liabilities:

- a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date.
- b) Contingent Liabilities are present obligations arising from a past event, when it is not probable/ probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

x. Taxes

- a) Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and qualified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- c) Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, Deferred Tax on timing differences between taxable income and accounting shall be provided subject to consideration of prudence, as and when the Company commences operation.

xi. Expenditure Pending Allocation:

- a) Pre-Operative Expenditure incurred during project implementation period will be capitalized on completion of the project.
- b) Pre-Operative Expenditure incurred after 1st April 2010 will be treated as follows:
Expenditure that is:
 - 1. Directly related to the project will be capitalized on completion of the project,
 - 2. Not directly related to the project will be charged off to the Statement of Profit & Loss of same Financial Year.

xii. Cash Flow Statement

- a) Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:
1. transactions of a non-cash nature
 2. any deferrals or accruals of past or future operating cash receipts or payments and
 3. items of income or expense associated with investing or financing cash flows
- b) Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

xiii. Cash and Cash Equivalents

Cash and cash equivalents include cash, bank balances, fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2. Share Capital				
Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
(a) Authorised Share Capital				
Equity shares of Rs.10/- each	51,00,000	5,10,00,000	51,00,000	5,10,00,000
(b) Issued Share Capital				
Equity shares of Rs.10/- each	49,83,334	4,98,33,340	49,83,334	4,98,33,340
(c) Subscribed and fully paid up Share Capital				
Equity shares of Rs.10/- each	49,83,334	4,98,33,340	49,83,334	4,98,33,340
Total	49,83,334	4,98,33,340	49,83,334	4,98,33,340

2 (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Equity shares of Rs.10/- each with voting rights				
At the beginning of the year	49,83,334	4,98,33,340	49,83,334	4,98,33,340
Issued during the year	-	-	-	-
Outstanding at the end of the year	49,83,334	4,98,33,340	49,83,334	4,98,33,340

Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of shares, referred to as equity shares having a par value of Rs. 10/- per share. Each Holder of equity shares is entitled to one vote per share. The company has not declared/ proposed dividend during the year. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2 (b) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Equity shares of Rs.10/- each with voting rights				
Gayatri Energy Ventures Pvt Ltd - Holding Company	49,57,834	4,95,78,340	49,57,834	4,95,78,340
Gayatri Projects Limited - Ultimate Holding Company	25,500	2,55,000	25,500	2,55,000

2 (c) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of	% holding	Number of	% holding
Equity shares of Rs.10/- each with voting rights				
Gayatri Energy Ventures Pvt Ltd	49,57,834	99.49%	49,57,834	99.49%

3. Reserves & Surplus		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	(23,02,781)	(21,43,099)	
Add : Profit / (Loss) for the year	(13,93,782)	(1,59,682)	
Closing balance	(36,96,563)	(23,02,781)	

4. Long-term borrowings

		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
1. From Related Parties			
Unsecured Loan			
a) From Holding Company	85,58,66,618	84,53,26,618	
2. Loans from Financial Institutions			
Secured Loans			
a) Loan from IL&FS	1,50,00,00,000	-	
Total	2,35,58,66,618	84,53,26,618	

a) Nature of Security

(1) The Loan obtained from IL&FS Financial Services Limited is secured through:

- (i) Pledge of 100% Equity Shares of the Company held by the Holding Company,
- (ii) Pledge of 67.76% Equity Shares of Gayatri Infra Ventures Limited held by Gayatri Projects Limited,
- (iii) Pledge of 21.291 Acres of Freehold Land at Mohadi Dist. Maharashtra held by the Company,
- (iv) Corporate Guarantee from Gayatri Infra Ventures Limited and Gayatri Projects Limited and
- (v) Personal Guarantee from Mr. T. V. Sandeep Kumar Reddy.

(2) The loan obtained from the holding company is unsecured

b) Terms of Repayment

The Loan obtained from the Holding Company is Unsecured, Interest Free and has no fixed Repayment Terms.

The Loan from IL&FS Financial Services is to be Repaid at the end of 36 Months by way of bullet repayment, from the date of first disbursement i.e. 30th June, 2015.

c) Amount of Principal & Interest due as on Balance Sheet date

Statement Showing Interest Dues as on the Balance Sheet date

		Amount in Rs.
Particulars	As at 31st March 2016	
Interest Due for Less than 90 Days		-
Interest Due for More than 90 Days		5,28,52,213

5. Other current liabilities		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
(a) Interest Accrued but not due	5,38,52,054	-	
(b) Interest Accrued and due	5,28,52,213	-	
(c) Salaries Payable	39,800	2,00,000	
(d) Audit Fees Payable	1,70,287	4,82,942	
(e) TDS and interest on TDS Payable	1,85,93,264	30,000	
(f) Other payables	200	2,293	
(g) Earnest Money Deposit Received	50,00,000	-	
Total	13,05,07,817	7,15,235	

6. Fixed Assets		Amount in Rs.						
a. Tangible Assets		GROSS BLOCK		DEPRECIATION			NET BLOCK	
PARTICULARS	As at 01.04.2015	Additions	As at 31.03.2016	Upto 01.04.2015	During the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land includes Land Development Cost	62,11,40,373	9,75,000	62,21,15,373	-	-	-	62,21,15,373	62,11,40,373
TOTAL	62,11,40,373	9,75,000	62,21,15,373	-	-	-	62,21,15,373	62,11,40,373
Previous Year	62,06,15,373	5,25,000	62,11,40,373	-	-	-	-	62,11,40,373

The Company has pledged the entire Land, the details of the Pledge are as follows:

- 600.46 Acres of Land has been Pledged to IDBI Bank on behalf of Gayatri Projects Limited, Group Parent for External Commercial Borrowings taken by them.
- 21.291 Acres of Land has been Pledged to IL&FS Financial Services Limited for the Term Loan of Rs. 150 Crores obtained from them.

b. Intangible Assets		Amount in Rs.						
PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2015	Additions	As at 31.03.2016	Upto 01.04.2015	During the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Goodwill on Amalgamation	97,219	-	97,219	-	-	-	97,219	97,219
TOTAL	97,219	-	97,219	-	-	-	97,219	97,219
Previous Year	-	-	-	-	-	-	-	-

c. Capital work in progress		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
Preoperative Expenditure pending Allotment			
Opening Balance (A)	5,82,95,999	5,37,94,473	
Add: Expenses incurred during the year (B)			
Bank Charges	3,408	853	
Salaries & Wages	16,25,384	8,80,000	
Travelling Expenses	1,53,387	2,22,233	
Legal & Professional Expenses	16,590	3,000	
Project Development Expenses	35,90,000	33,95,440	
Total	6,36,84,768	5,82,95,999	

7. Long Term Loans and Advances		
Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured Considered Good Term Loan to Related party	1,50,00,00,000	-
Total	1,50,00,00,000	-
7. (a) The Company has taken a Term Loan from IL&FS Financial Services Limited and has extended it as a bridge Term Loan to Gayatri Infra Ventures Limited (GIVL).		
8. Cash and cash equivalents Amount in Rs.		
Particulars	As at 31st March 2016	As at 31st March 2015
(a) Cash on hand	1,568	13,202
(b) Balances with banks In current accounts	2,37,120	7,21,320
Total	2,38,688	7,34,522
9. Short-term loans and advances Amount in Rs.		
Particulars	As at 31st March 2016	As at 31st March 2015
(a) To related parties - Unsecured Considered Good Mobilisation Advance to a Company where KMP are having substantial interest (Refer Note 14.7)	21,57,05,478	20,76,85,477
(b) Others - Unsecured Considered Good		
(i) Advance for Land	40,19,840	40,19,840
(ii) Staff Advances	-	96,047
(iii) Other Advances	-	24,000
Total	21,97,25,318	21,18,25,364
10. Other current assets Amount in Rs.		
Particulars	As at 31st March 2016	As at 31st March 2015
(a) Stamp duty paid in Advance	14,78,935	14,78,935
(b) Interest Receivable	10,67,14,266	-
(c) TDS Receivable	1,84,56,645	-
Total	12,66,49,846	14,78,935

11. Other Income		Amount in Rs.	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Interest Income	18,45,66,436	-	
Total	18,45,66,436	-	
12. Finance Costs		Amount in Rs.	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Interest on Term Loans	17,70,66,436	-	
Total	17,70,66,436	-	
13. Other expenses		Amount in Rs.	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Filing Fees	5,787	4,606	
(b) Legal & Professional Charges	80,567	5,000	
(c) Printing & Stationery	1,395	2,940	
(d) Upfront Fee (Net of reimbursement)	75,00,000	-	
(e) Telephone & Internet	7,492	34,776	
(f) TDS Interst	9,29,547	-	
(g) Rates & Taxes	2,19,324	-	
(h) Payments to auditors	1,49,670	1,12,360	
Total	88,93,782	1,59,682	

14. Other Notes forming part of the Financial Statements

14.1 Segment Reporting

Considering the nature of Company's business and operations, there are no separate reportable segments (Business & / or Geographical) in accordance with the requirements of Accounting Standard-17 on "Segment Reporting".

14.2 Contingent Liabilities

Claims against the Company / disputed liabilities not acknowledged as debts - Rs. Nil
(Previous Year Rs. Nil)

14.3 Employee Benefits

The Company has no liability for employee benefits, in accordance with the provisions of Accounting Standard - 15 "Employee Benefits". Hence no provision has been made in the books of accounts.

14.4 Contracts remaining to be executed on capital account (net of advances) as on 31-03-2016 are Rs.90.03 Crores. (Previous Year Rs.65.81 Crores.)

14.5 As per the information available with the Company, there are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2016 (Previous Year - Rs. Nil).

14.6 Deferred Tax on timing differences between taxable income and accounting income shall be provided subject to consideration of prudence, as and when the Company commences operations.

14.7 Short Term Loans and Advances

During the proceeding financial years, the company had awarded road work of an approximate contract value of Rest 86.58 Crores to Indira Energy Holdings Private Limited (IEHPL), a company in which the directors and the relatives of such directors hold substantial interest vide letter of award (LOA) dated 01/09/2011. As per the terms of the said LOA the work shall be completed within a period of 120 calendar months from the date of issue of work order and a mobilization advance subject to a maximum of 25% of value of the work order will be released as per request for mobilization advance from IEHPL. As at 31st March 2016 the cumulative amount of mobilization advance outstanding given to IEHPL is Rs 21.57 Crores. There are constant delays faced by the company in kick starting the project, such as pending coal allocation and land acquisition. The management of the company is confident that all the issues concerning the project shall be resolved at the earliest and consequently the road works and other works as mentioned in the LOA would commence at the earliest and subsequent recovery of the mobilization advance given to IEHPL.

14.8 Auditors Remuneration (Excluding Service Tax)

Amount In Rs.

Particulars	F.Y: 2015-16	F.Y: 2014-15
Statutory Audit Fee	1,25,000	1,00,000
Certification Charges	15,000	-
Total	1,40,000	1,00,000

14.9 Related Party Disclosures

a. List of Related parties and Relationships as disclosed by Management

Description of relationship	Names of related parties
Holding Company	1. Gayatri Energy Ventures Private Limited
Ultimate Holding Company	1. Gayatri Projects Limited
Key Management Personnel (KMP)	1. T.Rajiv Reddy - Director 2. T. Indira Reddy - Director 3. T. Sarita Reddy- Director 4. P. Purnachander Rao - Director
Relatives of KMP	1. T. V. Sandeep Kumar Reddy 2. T Anirudh Reddy
Companies in which KMP / Relatives of KMP can exercise significant influence	1. Indira Energy Holdings Private Limited 2. Yamne Power Private Limited
Fellow Subsidiary	1. Gayatri Infra Ventures Limited

b. Transactions with Related Parties

Transaction	Holding Company	Companies in which KMP and/or their relatives are interested	Fellow Subsidiary
Unsecured Loans	1,05,40,000	-	-
	<i>1,33,02,067</i>	-	-
Loan Advanced	-	-	1,50,00,00,000
	-	-	-
Interest Income	-	-	18,45,66,436
	-	-	-
Mobilisation Advance Given	-	80,20,000	-
	-	92,70,920	-
Closing Balances Dr/(Cr)	<i>(85,58,66,618)</i>	21,57,05,478	1,60,67,14,266
	<i>(84,53,26,618)</i>	20,76,85,477	-

Figures in italics relate to the previous year

14.10 Earnings in Foreign Currency Rs. Nil (Previous Year Rs. Nil)
Expenditure in Foreign Currency Rs. Nil (Previous Year Rs. Nil)

14.11 Earnings Per Share

The Company has not commenced any commercial operation. During the year no profit/(loss) is attributable to the Equity Share Holders.

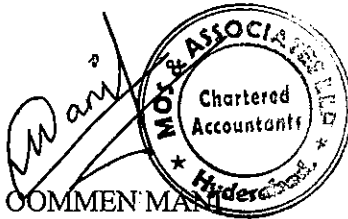
14.12 Figures have been rounded off to the nearest rupee

14.13 Previous year figures have been regrouped / reclassified wherever considered necessary to conform with the current year's presentation

As per our report of even date attached

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm Reg.No: 001975S/S200020

For and on behalf of the Board



COMMEN MANNI
Partner
Membership No: 234119

T. RAJIV REDDY
Director
DIN: 06859435

P. PURNACHANDER RAO
Director
DIN: 02230190

Place: Hyderabad
Date: 27.05.2016