

BHANDARA THERMAL POWER CORPORATION LIMITED



**10TH ANNUAL REPORT
2017-2018**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. T. Rajiv Reddy, Director

Ms. T. Sarita Reddy, Director

Mr. P. Purnachander Rao, Director

REGISTERED & CORPORATE OFFICE

6-3-1090, TSR Towers,

1st Floor, Rajbhavan Road,

Somajiguda,

Hyderabad – 500 082

Telangana, India.

CIN: U40102TG2008PLC057008

BANKERS

Canara Bank

Rajbhavan Road,

Somajiguda,

Hyderabad-500 082, Telangana.

AUDITORS

M/s. M O S & ASSOCIATES, LLP

Chartered Accountants,

Flat No.501, Lahari Benz Apts,

Rajbhavan Road

Somajiguda

Hyderabad-500 082, Telangana.

BOARDS' REPORT

To
The Members,

Your Directors have immense pleasure in presenting the 10th Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31st March 2018:

S. No.	Particulars	For the year ended 31.03.2018 (Rs.)	For the year ended 31.03.2017 (Rs.)
1)	INCOME		-
	Income from Operations		-
	Other Income		13,72,63,635
	TOTAL		13,72,63,635
2)	EXPENDITURE		
	Employee Benefits Expense		-
	Finance Costs		13,18,07,858
	Depreciation & Amortization expense		-
	Operations & Maintenance Expenses		-
	Periodic Maintenance Expenses		-
	Other Expenses	19,96,378	74,68,281
	TOTAL	19,96,378	13,92,76,139
3)	PROFIT / (LOSS) BEFORE TAX	(19,96,378)	(20,12,504)
	Provision for Taxation:		
	- Current Tax		
4)	PROFIT / (LOSS) AFTER TAX		
	Less: Prior Period adjustments		
5)	PROFIT / (LOSS) AFTER PRIOR PERIOD ITEMS		
	Add: Balance brought forward from previous year		
6)	BALANCE CARRIED TO BALANCE SHEET	(19,96,378)	(20,12,504)
	Earning (Loss) per Share – Basic & Diluted	N.A	N.A

2. FUTURE OUTLOOK

India is the sixth largest in terms of power generation. About 65% of the electricity consumed in India is generated by thermal power plants, 22% by hydroelectric power plants, 3% by nuclear power plants and rest by 10% from other alternate sources like solar, wind, biomass etc. 53.7% of India's commercial energy demand is met through the country's vast coal reserves. The total demand for electricity in India is expected to cross 950,000 MW by 2030 while at the end of December 2012, the installed power generation capacity of India stood at 210951.72MW. The difference in the installed capacity and the demand is driving the power generation sector.

The Company expects that with rural electrification and dissemination of technology in rural India will further drive the demand for power thereby fuelling the growth for the power sector.

3. EXTRACT OF ANNUAL RETURN

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as - **Annexure-I.**

4. BOARD MEETINGS

During the year ended 31st March, 2018, Four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 24th May 2017, 20th September, 2017, 29th November, 2017 and 13th March, 2018.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2018.

Name of the Director	Number of Board Meetings	
	Held	Attended
T. Sarita Reddy	4	4
T. Rajiv Reddy	4	4
P. Purnachander Rao	4	4

5. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies and applied them consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There is no change in the Board of Directors of the Company during the Financial Year ending 31st March, 2018.

7. DECLARATION BY INDEPENDENT DIRECTORS

None of the Independent Director has been appointed during the Financial Year. Hence it's not applicable.

8. RE-APPOINTMENTS

Mr. P. Purnachander Rao, Director of the Company is retiring by rotation and being eligible, offers himself for re-appointment.

9. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Board of Director of the Company lays down the manner of selection of Board of Directors and their remuneration.

10. AUDITORS REPORT

There are no qualifications in the Auditors Report.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no contracts or arrangements with related parties entered into by the Company for the period under review and are enclosed as **Annexure -II**.

13. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2018.

14. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31st March, 2018.

15. MATERIAL CHANGES AND COMMITMENTS

There has been no material change and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

There has been no change in the nature of business of the Company.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 is Nil.

17. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Your Company has invested in various Power projects from which there has been no return till date. Your Company is regularly monitoring these investments.

The respective Companies were ensured that adequate operating procedures are developed and implemented on a consistent basis, so as to ensure that the financial statements of the Company are free from material misstatements.

18. POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR – N.A.

19. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually.

20. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

21. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ending on 31st March 2018, your Company had no subsidiaries and associate Companies.

22. DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

24. STATUTORY AUDITORS

At the Annual General Meeting held on 30th September, 2015, M/s. M O S & Associates LLP, Chartered Accountants, Hyderabad bearing ICAI Regn. No. 001975S/S200020, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2020. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. M O S & Associates LLP, Chartered Accountants, Hyderabad bearing ICAI Regn. No. 001975S/S200020, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

25. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

26. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth.

During the year, the Company maintained a record of peaceful employee relations. Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

27. ACKNOWLEDGEMENTS

Your Directors express their appreciation to the Company's Bankers, Statutory Auditors, Customers, Consultants and Members for their constant help, co-operation and support.

For and on behalf of the Board

T. RAJIV REDDY

Director

DIN: 06859435

P. PURNACHANDAR RAO

Director

DIN: 02230190

Place: **Hyderabad**

Date: **21st May, 2018**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

For and on behalf of the Board

Place: **Hyderabad**
Date: **21st May, 2018**

T. RAJIV REDDY
Director
DIN: 06859435

P. PURNACHANDAR RAO
Director
DIN: 02230190

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(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

For and on behalf of the Board

Place: **Hyderabad**
Date: **21st May, 2018**

T. RAJIV REDDY
Director
DIN: 06859435

P. PURNACHANDAR RAO
Director
DIN: 02230190

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
CIN	U40102TG2008PLC057008
Registration Date	07/01/2008
Name of the Company	BHANDARA THERMAL POWER CORPORATION LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and contact details	6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: rajkumar@givl.co.in , Tel: 040-23310330
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	-

II. Principal Business Activities of the Company			
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Electric power generation, transmission and distribution	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gayatri Energy Ventures Private Limited	U40108TG2008PTC057788	Holding	99.49	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	49,83,334	49,83,334	100	-	49,83,334	49,83,334	100	0
e) Banks / FI	-	-	-	-	-	-	-	-	0
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	-	49,83,334	49,83,334	100	-	49,83,334	49,83,334	100	0
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	-	49,83,334	49,83,334	100	-	49,83,334	49,83,334	100	0
B. Public Shareholding									
(1) Institutions									
-a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	49,83,334	49,83,334	100	-	49,83,334	49,83,334	100	0

ii) Shareholding of Promoters

S.No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Gayatri Projects Ltd	25,500	0.512	-	25,500	0.512	-	-
2	T. V. Sandeep Kumar Reddy (Nominee of Gayatri Energy Ventures Private Limited)	11,667	0.234	-	11,667	0.234	-	-
3	T. India Reddy, (Nominee of Gayatri Energy Ventures Private Limited)	11,667	0.234	-	11,667	0.234	-	-
4	T. Sarita Reddy (Nominee of Gayatri Energy Ventures Private Limited)	4,200	0.084	-	4,200	0.084	-	-
5	P. Sreedhar Babu (Nominee of Gayatri Energy Ventures Private Limited)	100	0.002	-	100	0.002	-	-
6	Karri Gangu Naidu (Nominee of Gayatri Energy Ventures Private Limited)	100	0.002	-	100	0.002	-	-
7	V. R. Prasad (Nominee of Gayatri Energy Ventures Private Limited)	100	0.002	-	100	0.002	-	-
8	Gayatri Energy Ventures Private Limited Company Ltd	49,30,000	98.930	-	49,30,000	98.930	-	-
Total		49,83,334	100		49,83,334	100	-	-

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	49,83,334	100		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year	49,83,334	100	-	-

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	85,97,91,618	-	85,97,91,618
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)		85,97,91,618		85,97,91,618
Change in Indebtedness during the				

financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	85,97,91,618	-	85,97,91,618
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		85,97,91,618		85,97,91,618

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1.	Gross Salary	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other directors:**1. Independent Directors**

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		-	-	
	-Fee for attending Board/Committee Meetings	-	-	
	-Commission	-	-	
	- Others, please specify	-	-	
	Total (B)(1)	-	-	

2. Other Non Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	-Fee for attending Board/Committee Meetings	-	-	-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B)(2)	-	-	-
	Total (B)= (B)(1)+ (B)(2)			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-

	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -N.A.-

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place: **Hyderabad**
Date: **21st May, 2018**

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

P. PURNACHANDAR RAO
Director
DIN: **02230190**



INDEPENDENT AUDITORS' REPORT

To the Members of Bhandara Thermal Power Corporation Limited

Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Bhandara Thermal Power Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information,

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS 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 Ind AS financial statements based on our audit.

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

We conducted our audit of the standalone Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting 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 Ind AS financial statements.

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

Opinion

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

Emphasis of Matters

(Note Nos. referred hereunder are with reference to respective notes forming part of standalone Ind AS financial statements)

We draw members attention to the following matters:

- i) As stated in note 15.6 regarding mobilization advances given which are long pending for recovery.

Our opinion is not qualified in respect of the above matters.

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 ("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.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account .

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (i) 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**”.
- (j) 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December ,2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018.

for **M O S & Associates LLP**
Chartered Accountants
Firm Registration No.: 001975S/S200020

Oommen Mani
Partner
Membership No.: 234119

Hyderabad, May 21st, 2018

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 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **M O S & Associates LLP**
Chartered Accountants
Firm Registration No.: 001975S/S200020

Oommen Mani
Partner
Membership No.: 234119

Hyderabad, May 21st, 2018

Annexure A to the Auditors' Report

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

- (i) 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 not granted unsecured loans to companies, parties covered in the register maintained under Section 189 of the Act during the year under report. In respect of such loans:
- In our opinion, the company had not granted any loans during the year under report and consequently clause iii (a) of the order is not applicable for the current year under report.
 - 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 (₹)	No. of days delayed
Interest Overdue	68,27,756	494

- (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

- a. 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 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 2018 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 (₹)	Period to which amount relates
Income Tax Act, 1961	Tax deducted at source	1,09,75,833	2016-17
Income Tax Act, 1961	Tax deducted at source	8,77,846	2017-18

- 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 2018 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 availed any loans or borrowings during the year under report. Hence paragraph 3 (viii) is not applicable for the year under report.

(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) or term loans. Hence paragraph 3 (ix) of the Order is not applicable for the current year under report.

(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 No.: 001975S/S200020

Oommen Mani
Partner
Membership No.: 234119

Hyderabad, May 21st, 2018

Bhandara Thermal Power Corporation Limited

Balance Sheet as at 31st March 2018

Amount in ₹

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non - current assets			
a) Property, Plant and Equipment	2	62,21,15,373	62,21,15,373
b) Capital work-in-progress	2	6,45,28,367	6,37,31,975
c) Goodwill	3	97,219	97,219
d) Other Non Current Assets	4	22,12,04,252	22,12,04,252
Total Non-Current Assets		90,79,45,211	90,71,48,819
Current Assets			
a) Financial Assets			
i) Cash and cash equivalents	5a	1,66,633	2,14,711
ii) Other financial assets	5b	68,27,756	77,52,801
b) Other current assets	6	98,952	89,429
Total Current Assets		70,93,341	80,56,941
Total Assets		91,50,38,552	91,52,05,760
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	7	4,98,33,340	4,98,33,340
b) Other Equity	8	(77,05,445)	(57,09,067)
Total Equity		4,21,27,895	4,41,24,273
Liabilities			
Non Current Liabilities			
a) Financial Liabilities			
i) Borrowings	9	85,95,81,572	85,97,91,618
Total Non Current Liabilities		85,95,81,572	85,97,91,618
Current Liabilities			
a) Financial Liabilities			
i) Other Financial Liabilities	10a	4,36,537	3,01,537
b) Other current liabilities	11	1,28,92,548	1,09,88,333
Total Current Liabilities		1,33,29,085	1,12,89,870
Total Equity and Liabilities		91,50,38,552	91,52,05,761
Corporate information and significant accounting policies	1		

See accompanying notes forming part of the standalone financial statements

For M O S & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No: 001975S/S200020

For and on behalf of the Board

OOMMEN MANI

Partner

Membership No: 234119

T. RAJIV REDDY

Director

DIN: 06859435

P.PURNACHANDER RAO

Director

DIN:02230190

Place: Hyderabad

Date: 21.05.2018

Bhandara Thermal Power Corporation Limited
Statement of Profit and Loss for the year ended 31st March 2018

Particulars	Note No.	Amount in ₹	
		For the year ended March 31,	
		2018	2017
Income			
a. Revenue from Operations		-	-
b. Other Income	12	-	13,72,63,635
Total Income		-	13,72,63,635
Expenses			
a. Finance costs	13	-	13,18,07,858
b. Other expenses	14	19,96,378	74,68,281
Total Expenses		19,96,378	13,92,76,139
Profit before exceptional items and tax		(19,96,378)	(20,12,504)
Exceptional Items		-	-
Profit/ (Loss) before tax		(19,96,378)	(20,12,504)
Tax Expense		-	-
Profit/(Loss) for the year		(19,96,378)	(20,12,504)
Earnings Per Share (EPS)			
- Basic and Diluted	15.10	N.A.	N.A.
Corporate information and significant accounting policies	1		

See accompanying notes forming part of the standalone financial statements

For M O S & Associates LLP
Chartered Accountants
Firm Registration No. : 001975S/S200020

For and on behalf of the Board

Oommen Mani
Partner
Membership No.: 234119

T. RAJIV REDDY
Director
DIN: 06859435

P. PURNACHANDERRAO
Director
DIN:02230190

Place: Hyderabad
Date: 21.05.2018

Bhandara Thermal Power Corporation Limited

Statement of Cash Flows for the year ended 31st March 2018

Particulars	Amount in ₹	
	For the year ended March 31,	
	2018	2017
A Cash flow from operating activities		
Profit/ (loss) after tax	(19,96,378)	(20,12,504)
Adjustments for		
- Interest and finance charges	-	13,18,07,858
- Interest and other income	-	(13,72,63,635)
Operating loss before working capital changes	(19,96,378)	(74,68,281)
Changes in working capital :		
Adjustments for (increase)/ decrease in operating assets		
- Other Current Assets	(9,523)	1,83,67,217
- Other Financial Assets	9,25,045	-
Adjustments for increase/(decrease) in operating liabilities		
- Trade Payables	-	(39,800)
- Other Current Financial Liabilities	1,35,000	1,31,250
- Other Current Liabilities	19,04,215	(1,26,05,131)
Net cash flow from/ (used in) operating activities (A)	9,58,359	(16,14,745)
B Cash flows from investing activities		
Purchase of fixed assets including changes in CWIP	(7,96,392)	(47,207)
Interest received	-	23,71,25,145
Proceeds from Loans recovered	-	1,50,00,00,000
Net Cash from Investing Activities (B)	(7,96,392)	1,73,70,77,938
C Cash flows from financing activities		
Repayment of Financial Liabilities	(2,10,046)	(1,49,60,75,000)
Interest and other financial charges paid	-	(23,94,12,170)
Proceeds from Borrowings	-	-
Net cash flow from/ (used in) in financing activities (C)	(2,10,046)	(1,73,54,87,170)
D Net increase/(decrease) in cash and cash equivalents (A + B + C)	(48,078)	(23,977)
Cash and cash equivalents at the beginning of the year	2,14,711	2,38,688
E Cash and cash equivalents at the end of the year	1,66,633	2,14,711

See accompanying notes forming part of the standalone financial statements

For M O S & Associates LLP
Chartered Accountants
Firm Registration No. : 001975S/S200020

For and on behalf of the Board

Oommen Mani
Partner
Membership No.: 234119

T. RAJIV REDDY
Director
DIN: 06859435

P. PURNACHANDER RAO
Director
DIN:02230190

Place: Hyderabad
Date: 21.05.2018

Bhandara Thermal Power Corporation Limited
Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

Particulars	Note No	Amount in ₹
<i>As at 31st March 2016</i>		4,98,33,340
<i>Changes in Equity Share Capital</i>	7	-
<i>As at 31st March 2017</i>		4,98,33,340
<i>Changes in Equity Share Capital</i>	7	-
<i>As at 31st March: 2018</i>		<u>4,98,33,340</u>

B. Other Equity

i. Reserves and Surplus - Retained Earnings

Particulars	Amount in ₹
<i>Balance as at 01st April 2016</i>	(36,96,563)
<i>Profit/ (Loss) for the year</i>	(20,12,504)
<i>Balance as at 31st March 2017</i>	<u>(57,09,067)</u>

Particulars	Amount in ₹
<i>Balance as at 01st April 2017</i>	(57,09,067)
<i>Profit/ (Loss) for the year</i>	(19,96,378)
<i>Balance as at 31st March 2018</i>	<u>(77,05,445)</u>

For M O S & Associates LLP
Chartered Accountants
Firm Registration No. : 001975S/S200020

For and on behalf of the Board

Oommen Mani
Partner
Membership No.: 234119

T. RAJIV REDDY
Director
DIN: 06859435

P. PURNACHANDER RAO
Director
DIN:02230190

Place: Hyderabad
Date: 21.05.2018

Note 1: Corporate information and Significant accounting policies

Corporate information

Bhandara Thermal Power Corporation Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956, to build, own and operate coal-fired power plant in India.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

i. Basis of preparation

a. Compliance with Ind AS

The Company's Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016.

ii. Basis of preparation and presentation of Financial Statements

The Financial statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

Fair value for measurement adopted in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, Net Realizable value as per Ind AS 2 or value in use as per Ind AS 36. Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;*
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and*
- Level 3 inputs are unobservable inputs for the Asset or Liability.*

iii. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iv. 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.

v. Foreign Currency Transactions

- a. The reporting currency of the company is Indian Rupee.
- b. Foreign exchange transactions are accounted at the rates prevailing on the date of the transactions.
- c. 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 Statement of Profit and Loss.
- d. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

vi. Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition.

vii. Financial Assets

Financial Asset is any Asset that is -

- a. Cash
- b. Equity Instrument of another Entity,
- c. Contractual right to -
 - (i) receive Cash / another Financial Asset from another Entity, or
 - (ii) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling

financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments, other than those stated above, which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments other than those stated above, the subsequent changes in fair value are recognized in other comprehensive income.

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

viii. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

ix. Financial Liabilities

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method.

Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the Statement of profit and loss.

x. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

xi. De-recognition of Financial Instruments

A Financial Asset is derecognized when the right to receive cash flows from the asset has expired or the company has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. In the case where the existing liability is replaced by another liability either from the same lender

or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

xii. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

xiii. Earnings Per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

xiv. Provisions and Contingent Liabilities

- a. A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
- b. Contingent Liabilities are present obligations arising from a past event, when it is not probable or the 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 forming part of the financial statements.

xv. Taxes

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in other comprehensive income. The income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

xvi. Statement of Cash Flows

Statement of Cash Flows is prepared by segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using the indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- a. transactions of a non-cash nature;
- b. any deferrals or accruals of past or future operating cash receipts or payments;

- c. items of income or expense associated from investing or financing cash flows; and
- d. Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows.

xvii. Cash and Cash Equivalents

Cash and cash equivalents include cash, bank balances, fixed deposits and margin money deposits.

xviii. Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b. Uncalled liability on shares and other investments partly paid;
- c. Funding related commitment to subsidiary, associate and joint venture companies, and;
- d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- e. Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

xix. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

xx. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

xxi. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a. In case of an individual asset, at the higher of the Assets' fair value less cost to sell and value in use; and

- b. *In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.*
- c. *In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.*

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

Note 2. Property, Plant & Equipment, Capital Work in Progress

Year Ended 31st March 2017	Amount in ₹	
	Land	Capital Work In Progress (Refer Note 2a)
Gross Carrying Amount		
As at 1st April 2016	62,21,15,373	6,36,84,768
Additions	-	47,207
Disposals	-	-
Closing Gross Carrying Amount (A)	62,21,15,373	6,37,31,975
Accumulated Depreciation	-	-
Depreciation during the year	-	-
Closing Accumulated Depreciation (B)	-	-
Net Carrying Amount (A) - (B)	62,21,15,373	6,37,31,975

Year Ended 31st March 2018	Amount in ₹	
	Land	Capital Work In Progress (Refer Note 2a)
Gross Carrying Amount		
As at 1st April 2017	62,21,15,373	6,37,31,975
Additions	-	7,96,392
Disposals	-	-
Closing Gross Carrying Amount (A)	62,21,15,373	6,45,28,367
Accumulated Depreciation	-	-
Depreciation during the year	-	-
Closing Accumulated Depreciation (B)	-	-
Net Carrying Amount (A) - (B)	62,21,15,373	6,45,28,367

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

a) 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.

b) 21.291 Acres of Land has been Pledged to IL&FS Financial Services Limited which is yet to release by the IL&FS as the loan is repaid by the Company.

Note 2a. Reconciliation of Additions & Deletions in Capital Work in Progress:

Particulars	Amount in ₹	
	As at March 31,	
	2018	2017
Preoperative Expenditure pending allotment		
Opening Balance (A)	6,37,32,211	6,36,84,768
Add: Expenses incurred during the year (B)		
Bank Charges	392	26,727
Salaries and Wages	7,94,000	-
Travelling Expenses	-	1,480
Legal and Professional Charges	2,000	19,000
Project Development Expenses	-	-
Total (A+B)	6,45,28,603	6,37,32,211
Less: Capitalised during the year	-	-
Total	6,45,28,603	6,37,32,211

Note 3. Goodwill

Year Ended 31st March 2017	Amount in ₹
Gross Carrying Amount	
As at 1st April 2016	97,219
Additions	-
Disposals	-
Closing Gross Carrying Amount (A)	97,219
Accumulated Depreciation	-
Depreciation during the year	-
Closing Accumulated Depreciation (B)	-
Net Carrying Amount (A) - (B)	97,219

Year Ended 31st March 2018	Amount in ₹
Gross Carrying Amount	
As at 1st April 2017	97,219
Additions	-
Disposals	-
Closing Gross Carrying Amount (A)	97,219
Accumulated Depreciation	-
Depreciation during the year	-
Closing Accumulated Depreciation (B)	-
Net Carrying Amount (A) - (B)	97,219

<i>Note 4. Other Non Current Assets</i>		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Mobilisation Advance to a Company where KMP are having substantial interest (Refer Note 15.6)	21,57,05,477	21,57,05,477	
(b) Stamp Duty paid in Advance	14,78,935	14,78,935	
(c) Advance for Land	40,19,840	40,19,840	
Total	22,12,04,252	22,12,04,252	

Note 5. Financial Assets

Note 5a. Cash and Cash Equivalents

<i>Note 5a. Cash and Cash Equivalents</i>		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Cash on hand	241	376	
(b) Balances with banks in current accounts	1,66,392	2,14,335	
Total	1,66,633	2,14,711	

Note 5b. Other Financial Assets

<i>Note 5b. Other Financial Assets</i>		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Interest Receivable	68,27,756	68,52,756	
(b) Other Receivables	-	9,00,045	
Total	68,27,756	77,52,801	

Note 6. Other current assets

<i>Note 6. Other current assets</i>		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Income tax refund receivable	59,178	59,178	
(b) Other Advances	39,774	30,251	
Total	98,952	89,429	

Note 7. Share Capital

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
(a) Authorised Share Capital				
Equity shares of ₹ 10/- each	51,00,000	5,10,00,000	51,00,000	5,10,00,000
(b) Issued, Subscribed and fully paid up Share Capital				
Equity shares of ₹ 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

Note 7a Movements in Equity Share Capital

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Equity shares of ₹ 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	-	-	-	-
Closing Balance	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 ₹ 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.

Note 7b Details of shares held by the holding company and the ultimate holding company:

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Equity shares of ₹ 10/- each with voting rights				
Gayatri Energy Ventures Private Limited - 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

Note 7c Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 10/- each with voting rights				
Gayatri Energy Ventures Pvt Ltd	49,57,834	99.49%	49,57,834	99.49%

Note 8. Other Equity		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Retained Earnings			
Opening balance	(57,09,067)	(36,96,563)	
Add : Profit / (Loss) for the year	(19,96,378)	(20,12,504)	
Closing balance	(77,05,445)	(57,09,067)	

Note 9. Financial Liabilities

Note 9. Borrowings		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Unsecured Loan - From Related Parties			
From Holding Company	85,95,81,572	85,97,91,618	
Total	85,95,81,572	85,97,91,618	

Note 9 b (i) Terms of Repayment & Nature of Security

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

Note 10. Financial Liabilities

Note 10a. Other Financial Liabilities		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Audit Fee Payable	4,36,537	3,01,537	
Total	4,36,537	3,01,537	

Note 11. Other current liabilities

		<i>Amount in ₹</i>	
Particulars	As at 31st March 2018	As at 31st March 2017	
(a) Statutory Payables	1,27,57,025	1,09,88,333	
(b) Others	1,35,523		
Total	1,28,92,548	1,09,88,333	

<i>Note 12. Other Income</i>		<i>Amount in ₹</i>	
Particulars	For the year ended March 31,		
	2018	2017	
(a) Interest Income	-	13,72,63,635	
Total	-	13,72,63,635	

<i>Note 13. Finance Costs</i>		<i>Amount in ₹</i>	
Particulars	For the year ended March 31,		
	2018	2017	
(a) Interest on Term Loans	-	13,18,07,858	
Total	-	13,18,07,858	

<i>Note 14. Other Expenses</i>		<i>Amount in ₹</i>	
Particulars	For the year ended March 31,		
	2018	2017	
(a) Filing Fees	1,980	5,802	
(b) Legal and Professional Charges	60,500	1,000	
(c) Printing and Stationery	1,206	50	
(d) Upfront Fee (Net of reimbursement)	-	54,55,777	
(e) Telephone and Internet	-	3,600	
(f) Interest on TDS	17,55,692	18,33,172	
(g) Rates and Taxes	-	130	
(h) Payments to auditors	1,77,000	1,68,750	
Total	19,96,378	74,68,281	

Note 15. Other Notes forming part of the Financial Statements

15.1 Contingent Liabilities

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

15.2 Employee Benefits

The Company has no liability for employee benefits, in accordance with the provisions of IND AS – 19 “Employee Benefits”. Hence no provision has been made in the books of accounts.

15.3 Contracts remaining to be executed on capital account (net of advances) as on 31-03-2018 are Rs.90.03 Crores (Previous Year Rs.90.03 Crores).

15.4 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 2018 (Previous Year – Rs. Nil).

15.5 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.

15.6 During the preceding financial years, the company had given Contract Advance of ₹ 21,57,05,477, wherein the corresponding contract works are yet to commence. In the opinion of the management of the Company, the said contract works are yet to commence due to extraneous factors beyond the control of such sub-contractor default/failure. However, the management is confident that all issues concerning the project will be resolved at the earliest and accordingly the contract works would commence shortly resulting in recovery of the said advance.

15.7 Auditors Remuneration (Excluding Tax)

Particulars	Amount in ₹	
	F.Y: 2017-18	F.Y: 2016-17
Statutory Audit Fee	1,25,000	1,25,000
Total	1,25,000	1,25,000

15.8 Related parties disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(a) List of Related parties and Relationships as disclosed by the Company:

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

b. Transactions with Related Parties

Amount in ₹

Particulars	Holding Company	Companies in which KMP and/or their relatives are interested	Fellow Subsidiary
Unsecured Loans- Paid (Net)	(2,10,046)	-	-
Unsecured Loans- Received (Net)	39,25,000	-	-
Loan Advanced	-	-	1,50,00,00,000
Loan Recovered	-	-	1,50,00,00,000
Interest and Other Income	-	-	(14,27,19,412)
Mobilisation Advance Given	-	(80,20,001)	-
Closing Balances (Dr)	-	21,57,05,477	68,27,756
Closing Balances (Cr)	85,95,81,572	(21,57,05,477)	(1,60,67,14,266)
	(85,97,91,618)	-	-

Figures in brackets relate to the previous financial year.

15.9 Earnings in Foreign Currency ₹Nil (Previous Year ₹Nil)
Expenditure in Foreign Currency ₹Nil (Previous Year ₹Nil)

15.10 Earnings Per Share

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

15.11 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity.

Amount in ₹

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Debt:		
i) Non-Current Borrowings	85,95,81,572	85,97,91,618
ii) Current Maturities of Non-Current Borrowings	Nil	Nil
Total Debt:	85,95,81,572	85,97,91,618
Equity:		
i) Equity Share capital	4,98,33,340	4,98,33,340
ii) Other Equity	(77,05,445)	(57,09,067)
Total Equity:	4,21,27,895	4,41,24,273
Total debt to equity ratio (Gearing ratio)	20.40	19.48

15.12 Fair Value Measurement

Amount in ₹

Particulars	As at 31 st March 2018	As at 31 st March 2017
Financial Assets at Amortised Cost		
Cash and cash equivalents	1,66,633	2,14,711
Other Financial Assets	68,27,756	77,52,801
Total	69,94,389	79,67,512
Financial Liabilities at Amortised Cost		
Borrowings	85,95,81,572	85,95,81,572
Other Financial Liabilities	4,36,537	3,01,537
Total	86,00,18,109	85,98,83,109

Financial risk management

The Company's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk, includes loans and borrowings.

i. Interest rate risk

The borrowings of the company are from its holding company are interest free and have no fixed repayment schedule. Thus interest rate risk is limited for the Company.

ii. Foreign Currency Risk:

The company has no foreign currency exposures, hence there is no foreign currency risk.

iii. Equity Price Risks:

There are no investments made by the company into any securities hence there is no equity price risk

b. Credit risk management

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risks arises from company's activities in investments. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

c. Liquidity Risk:

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management and finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management. The borrowings of the company are from its holding company are interest free and have no fixed repayment schedule. Thus interest rate risk is limited for the Company.

15.13 Figures have been rounded off to the nearest rupee.

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

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

For and on behalf of the Board

OOMMEN MANI
Partner
Membership No. 234119

T. RAJIV REDDY
Director
DIN: 06859435

P.PURNACHANDER RAO
Director
DIN:02230190

Place: Hyderabad
Date: 21.05.2018