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8/12, KALKAJI EXTENSION
NEW DELHI - 110019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MONNET POWER COMPANY LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **MONNET POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 that give a true and fair view of the state of affairs (financial position), Loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's 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.

Basis for Qualified Opinion

a. **Long term and short term borrowings are continued to be classified as non-performing by most of the lenders and actual liability towards interest etc. is still pending to be crystalized. In view of uncertainty the company has not provided interest including penal interest and other dues upto 31.03.2017 on such borrowings, to the extent the same has remained unpaid. Had the interest been provided, loss for the year and previous year would have been higher by Rs. 578.45 crores and Rs. 432.15 crores respectively (based on prevailing terms & conditions of lending) with a corresponding increase in liability/borrowings.**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the impact of the matter described in "Basis for qualified opinion" para hereinabove**, 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its Loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

1. Note No 31 to the financial statements with respect to status of the project, pending settlement/reconciliation of accounts with the lenders/bankers/contractors/suppliers and preparation of financial statements on going concern basis. Impact of aforesaid issues is not certain.

Our opinion is not modified in respect of these matters.

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New Delhi
Chartered Accountants

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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"), we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

   (e) **The subject matter of qualification as referred in para of "Basis for Qualified Opinion" and matter referred in Note 1 in "Emphasis of Matter" above, which in our opinion may have an adverse effect on the functioning of the company.**

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

   (g) We are enclosing herewith a report in Annexure II for our opinion on adequacy of internal financial controls system in place and the operating effectiveness of such controls.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

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New Delhi
Chartered Accountants

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i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33(d) to the financial statements.

ii. The Company has made provisions as required under applicable laws and accounting standards for material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

iv. The Company had provided requisite disclosures in its Note No 10 & 10A the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account and records maintained by the Company and as produced to us by the Management.

For O P BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

(NITIN JAIN)
PARTNER
M. No. 510841

PLACE : NEW DELHI
DATED : 30.5.17

O.P. BAGLA & CO. New Delhi Chartered Accountants

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Annexure "I" To Independent Auditors' Report

Referred to in the Independent Auditors' Report of even date to the members of **MONNET POWER COMPANY LIMITED** on the financial statements as of and for the year ended March 31, 2017

(i) In respect of its fixed assets:

a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.

b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As in informed to us no material discrepancies were noticed on such physical verification.

c) Title deeds in respect of all immovable properties are held in the name of the company.

(ii) The Company has no stocks in the nature of inventory during the year under audit. Therefore, clause 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act 1956. Accordingly, clause 3 (iii) of the order is not applicable.

(iv) According to the information and explanations given to us, the company has not given any loan/guarantee/security or made any investment during the year in terms of the provisions of Section 185 and 186. Accordingly, clause 3(iv) of the Order is not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 read with rules framed thereunder and directives of Reserve Bank of India.

(vi) The company is under project implementation stage and has yet to commence generation of power. Therefore, clause 3(vi) of the Order related to maintenance of cost records as specified in Section 148(1) of the Companies Act 2013 is not applicable.

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(vii) a) As per information and explanations given to us the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess, Octroi, entry tax and other statutory dues with the appropriate Authorities. There are no undisputed statutory dues at the yearend outstanding for a period of more than six months from the date they become payable except for liability of Rs.187.38 lacs towards Work Contract Tax, and Rs46.84lacs towards labour cess.

b) As per information and explanations given to us the Company has disputed income tax liability of Rs.47.43 lacs (Previous Year 103.06 lacs) as at the end of the year for which Appeal has been filed with CIT (A) VI, New Delhi. There are no other disputed statutory dues in the company pending for deposit.

(viii) In accordance with the information and explanations given to us we are of the opinion that the company has defaulted in repayment of dues to banks/financial institution for following amounts:

Particulars	**Amount of Default as at balance sheet date Rs. in lacs**	**Period of Default**
Loan and interest (including External commercial borrowing) from Various Banks/ Financial Institutions	104807.20	3 to 24 Months

There are no loans from government and the company has not issued any debentures.

(ix) As explained to no term loans has been obtained during the year. The company has not raised any money during the year by way initial or further public offer.

(x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31.03.2017.

(xi) No managerial remuneration has been paid/provided during the year by the company.

(xii) The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.

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(xiii) According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of Companies Act 2013. Necessary disclosures have been made in the financial statements as required by the applicable Indian accounting Standards.

(xiv) According to information and explanations given to us the company has not made any preferential allotment or private placement of shares or debentures during the year.

(xv) According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.

(xvi) In our opinion, in view of its business activities, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934.

For O P BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

(NITIN JAIN)
PARTNER
M. No. 510841

PLACE : NEW DELHI
DATED : 30-5-17

O.P. BAGLA & CO. ★ New Delhi ★ Chartered Accountants

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ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **MONNET POWER COMPANY LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone 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. 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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial 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 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For O P BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

(NITIN JAIN)
PARTNER
M. No. 510841

PLACE : NEW DELHI
DATED : 30-5-17

O. P. BAGLA & CO.
New Delhi
Chartered Accountants

MONNET POWER COMPANY LIMITED

BALANCE SHEET AS AT 31st MARCH, 2017

(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	Note	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.4.2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,984.10	4,097.22	3,778.34
Capital Work in Progress (refer Note 31(a))	4	543,691.32	544,236.03	527,592.83
Intangible assets under Development	5	173.55	173.55	79.52
Financial Assets				
a. Investments	6	1.86	1.86	1.86
b. Loans	7	88.34	1,128.05	1,131.37
c.Other financial assets	8	112.44	4,464.67	3,386.56
Other non - financial assets	9	5,925.38	4,257.36	25,297.14
		553,976.99	558,358.74	561,267.62
Current assets				
Financial Assets				
a. Cash and cash equivalents	10	266.46	222.00	156.49
b. Bank balance other than 'a' above	10A	760.64	753.29	1,581.82
c. Loans	7	5.49	11.32	30.78
d. Other financial assets	8	30.42	101.82	80.57
Other non - financial assets	9	1,127.50	327.44	392.81
		2,190.51	1,415.87	2,242.47
TOTAL		556,167.50	559,774.61	563,510.09
EQUITY AND LIABILITIES				
Equity				
Share capital	11	78,747.59	78,747.59	78,747.59
Other equity	12	2,990.86	5,602.45	17,248.32
		81,738.45	84,350.04	95,995.91
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	13	350,741.89	405,223.39	402,672.58
Other financial liabilities	14	0.00	7,225.51	7,225.51
Provisions	15	21.80	47.54	41.54
		350,763.69	412,496.44	409,939.63
Current liabilities				
Financial liabilities				
Trade payables	16	124.37	16.00	9.11
Other financial liabilities	14	119,907.25	62,603.04	57,147.24
Other current liabilities	17	3,615.00	268.00	349.71
Provisions	15	18.74	41.09	68.49
		123,665.36	62,928.13	57,574.55
TOTAL		556,167.50	559,774.61	563,510.09
SIGNIFICANT ACCOUNTING POLICIES	1 & 2			

The accompanying Notes 1 to 43 form an integral part of these financial statements

In terms of our report of even date annexed

FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
FRN NO 000018N

PLACE : NEW DELHI
DATED : 30-5-17

PARTNER

O.P. BAGLA & CO. New Delhi Chartered Accountants

DIRECTOR **DIRECTOR**

CHIEF FINANCIAL OFFICER **CO SECRETARY**

MONNET POWER COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2017	FOR THE YEAR ENDED 31.03.2016
INCOME			
Other Income	18	**94.41**	102.44
Total Income (I)		**94.41**	102.44
Expenses:			
Employee benefits expense	19	**658.13**	1,438.95
Finance Costs (refer Note 31(a))	20	**1,247.91**	8,947.75
Depreciation & amortisation	3	**109.84**	191.43
Other expenses	21	**731.90**	1,241.44
Total expenses		**2,747.78**	11,819.57
Profit before tax from continuing operations after exceptional items		**(2,653.37)**	(11,717.13)
Tax expense:			
Current Tax		**0.00**	0.00
Adjustment of tax relating to earlier periods		**0.00**	55.00
Profit for the year from continuing operations		**(2,653.37)**	(11,662.13)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		**41.78**	16.26
Income tax effect on such items		**0.00**	0.00
Total other comprehensive income for the year, net of tax		**41.78**	16.26
Total comprehencive income for the year, net of tax		**(2,611.59)**	(11,645.87)
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic		**(0.34)**	(1.50)
(2) Diluted		**(0.34)**	(1.50)
SIGNIFICANT ACCOUNTING POLICIES	1 & 2		

The accompanying Notes 1 to 43 form an integral part of these financial statements

In terms of our report of even date annexed
FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
FRN NO.000018N

PLACE : NEW DELHI
DATED : 30-5-17

PARTNER

O.P. BAGLA & CO. New Delhi Chartered Accountants

DIRECTOR **DIRECTOR**

Sapan.

CHIEF FINANCIAL OFFICER **CO SECRETARY**

MONNET POWER COMPANY LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED ON 31st MARCH 2017

(Amount in Rupees Lacs, unless otherwise stated)

		31.03.2017		31.03.2016	
A.	**Cash Flow from Operating Activities**				
	Net Profit before tax and extra ordinary items		(2,653.37)		(11,662.13
	Adustment for :				
	Depreciation	109.84		191.43	
	Interest Received	(92.55)		(102.44)	
	Loss on sale of fixed assets	1.46		0.12	
	Dividend Received	0.00	18.75	0.00	89.11
			18.75		89.11
	Operating Profit before Working Capital Facilities				
	Working capital adjustments:		(2,634.62)		(11,573.02
	Other Receivable/Advances (excluding long term capital advances)	(6,269.23)		1,141.95	
	Other Payables	140.17	(6,129.06)	4,917.41	6,059.36
			(6,129.06)		6,059.36
	Cash generated (utilised) from/in operation		(8,763.68)		(5,513.66)
	Net Cash Flow from/used in operating activities		(8,763.68)		(5,513.66)
B.	**Cash Flow From Investing activities**				
	Purchase of fixed assets	0.00		517.15	
	Increase in Capital Work in Progress (Net of amount Payable)	2,212.73		(37,588.95)	
	Sale of fixed assets	1.82		389.82	
	Interest Received	92.55		102.44	
	Dividend Received	0.00		0.00	
			2,307.10		(36,579.54)
	Net Cash used in investing activities		2,307.10		(36,579.54)
C.	**Cash Flow from Financing Activities**				
	Proceeds from long term borrowings	(1,093.91)		3,009.24	
	Increase in non cash funds in fixed deposits beyond 3 months	(7.35)	(1,101.26)	828.53	3,837.77
	Net Cash from financing activities		(1,101.26)		3,837.77
	Net Cash & cash equivalent increase/decrease		(7,557.84)		(38,255.43)
	Cash & Cash equivalent Opening		222.00		156.49
			266.46		222.00
	Components of cash and cash equivalents				
	Cash on hand		1.58		1.04
	Balance with bank		47.51		55.26
	Bank deposits with maturity witin three months		217.37		165.71
			266.46		222.01

Significant accounting policies 1 & 2

The accompanying Notes 1 to 43 form an integral part of these financial statements

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
FRN NO 000018N

PARTNER

O.P. BAGLA & CO. New Delhi Chartered Accountants

DIRECTOR **DIRECTOR**

Sapan.

CHIEF FINANCIAL OFFICER **CO SECRETARY**

PLACE : NEW DELHI
DATED 30-5-17

MONNET POWER COMPANY LIMITED
Statement of changes in equity for the year ended 31 March 2016
(Amount in Rupees lacs, unless otherwise stated)

Other equity (Refer note 12)

	Reserves and Surplus		Items of OCI	Total equity
	Share premium	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans	
As at 1 April 2015	18,831.17	(1,592.39)	9.54	17,248.32
Net income / (loss) for the year		(11,662.13)		-11,662.13
Transfer to general reserve				-
Other comprehensive income (Note 23)			16.26	16.26
Total comprehensive income	-	**(11,662.13)**	**16.26**	**(11,645.87)**
At 31 March 2016	**18,831.17**	**-13,254.52**	**25.80**	**5,602.45**

SIGNIFICANT ACCOUNTING POLICIES 1 & 2

The accompanying Notes 1 to 43 form an integral part of these financial statements

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
FRN NO 000018N

DIRECTOR

DIRECTOR

PLACE : DELHI
DATED : 30.5.17

PARTNER

CHIEF FINANCIAL OFFICER

CO SECRETARY

O.P. BAGLA & CO. New Delhi Chartered Accountants

MONNET POWER COMPANY LIMITED
Statement of changes in equity for the year ended 31 March 2017
(Amount in Rupees lacs, unless otherwise stated)

A. Equity share capital for issued, subscribed and paid up equity share of Rs. 10/- each

Particulars	Note	Amount
As at 1 April 2015	11	77,747.59
Changes during the year		-
As at 31 March 2016	11	77,747.59
Changes during the year		-
As at 31 March 2017	11	77,747.59

B. Prefrence share capital for issued, subscribed and paid up preference share of Rs. 100/- each

Particulars	Note	Amount
As at 1 April 2015	11	1,000.00
Changes during the year		-
[illegible] 31 March 2016	11	1,000.00
[illegible]ges during the year		-
As at 31 March 2017	11	1,000.00

C. Other equity (Refer note 12)

	Reserves and Surplus		Items of OCI	Total equity
	Share premium	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans	
As at 1 April 2016	18,831.17	(13,254.54)	25.80	5,602.43
Net income / (loss) for the year		(2,653.37)		-2,653.37
Other comprehensive income (Note 23)			41.78	41.78
Total comprehensive income	-	**(2,653.37)**	**41.78**	**(2,611.59)**
[illegible]1 March 2017	**18,831.17**	**-15,907.91**	**67.58**	**2,990.84**

SIGNIFICANT ACCOUNTING POLICIES 1 & 2

The accompanying Notes 1 to 43 form an integral part of these financial statements

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
FRN NO 000018N

DIRECTOR

DIRECTOR

PLACE : NEW DELHI
DATED : 30-5-17

O.P. BAGLA & CO. ★ New Delhi ★ Chartered Accountants

PARTNER

CHIEF FINANCIAL OFFICER

CO SECRETARY

Accounting Policies under Ind AS
Standalone financial statements of Monnet Power Company Limited for the year ended 31-March-2017

1. Corporate information

MONNET POWER COMPANY LIMITED ("MPCL" or "the company") is a limited company domiciled in India and was incorporated on 29th January, 2007. The registered office of the Company is located at at 10 Masjid Moth, Greater Kailash- II, New Delhi-110048, India.

MPCL is in process of setting up 1050 MW Power Plant Angul in Odisha. Company is subsidiary of Monnet Ispat and Energy Ltd.

The financial statements of the company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the directors on 30th May, 2017.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first being prepared in accordance with IndAS.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.
The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Significant accounting policies

a. Current versus non-current classification

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

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

The Company classifies all other liabilities as non-current.

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

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b. Property, plant and equipment

i) Tangible assets

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any as at 31 March 2015. The Company has elected to regard those values of property as deemed cost at the date of the transition to Ind AS, i.e., 1 April 2015.

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipments are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipments are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

Leasehold Land and Leasehold Improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.
The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii) Capital work in progress

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

Expenditure during Construction period (including interest, exchange rate variations and other incidental expenses on loans obtained for acquisition of capital assets and the expenses which are considered directly attributable to the capital assets) are kept under Capital Work in Progress and shall be allocated to fixed assets on pro-rata basis as and when the project is ready for its intended use.

c. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period

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Right of use (ROU) having indefinite life (for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually.

d. Borrowing Costs

Borrowing cost including allied expenses incurred during construction period are considered as cost for the acquisition of qualifying assets are capitalized and included in Statement of Expenditure during Construction Period. Amount for the period when project activities are not actively carried out has been charged to Statement of Profit & Loss.

e. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

f. Revenue Recognition

Income and Expenditure are accounted for on accrual basis. Penal interest and interest where the dispute has been raised for the amount charged by banks to the extent not agreeable to the company is accounted for on settlement/payment.

g. Foreign currency transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded at the exchange rate prevailing at the date of transactions.

Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year and gain or loss arising on translation of such monetary items has been considered as Expenditure during Construction Period.

Currency and Interest rate swap derivatives are undertaken by the company to hedge the interest rate risk and gains/loss are accounted for as and when amount is actually realized/ paid on periodical settlement of contract to the extent it relates to interest rate swap. Mark to Market loss; after adjusting the interest income arising from such derivative transaction on currency and interest rate swap as at the end of the year is provided and is adjusted in carrying cost of Capital Work in Progress; whereas gain is ignored.

Mark to market loss on foreign currency forward contract wherever the underlying borrowings are pending to be received from lenders are recognized on final ascertainment of liability/actual payment in absence of such borrowings. In other cases the amount of such loss is adjusted in the amount of borrowings.

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h. Taxes on income

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

i. Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit & loss in subsequent periods.

Past service costs are recognised in statement of profit & loss in the period of plan amendment.

Compensated absences and other benefits like gratuity which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a non-current liability at the present value of the defined benefit obligation at the balance sheet date.

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j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

k. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

l. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

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m. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n. Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities**
- **Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable**
- **Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable**

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o. Financial instruments

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

(a) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- **Financial assets carried at amortised cost**

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.

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- **Financial assets at fair value through other comprehensive income**

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 which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

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

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries, joint ventures and associates

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

(b) Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

p. Unless specifically stated to be otherwise, these policies are consistently followed.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of

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contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.4 Standards Issued but not yet Effective

Ind - AS 115 "Revenue from Contract with Customers

Ind AS 115 was issued in February, 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

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This standard will come into force from accounting period commencing on or after 1st April, 2018. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

Amendments to Ind AS 7 "Statement of cash flows"

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This amendment is effective for accounting period commencing on or after 1st April, 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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MONNET POWER COMPANY LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees Lacs, unless otherwise stated)

3. Property, plant and equipment

	Freehold Land	Leasehold Land	Road	Buildings Leasehold	Building others	Plant and equipment	Electric Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
Cost												
As at April 1, 2015	229.69	2,481.81	77.07	140.67	115.02	102.78	400.76	82.03	90.46	43.14	14.91	3,778.34
Additions	0.00	498.00	0.00	19.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	517.15
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.16	0.00	0.00	20.16
As at March 31, 2016	**229.69**	**2,979.81**	**77.07**	**159.67**	**115.02**	**102.78**	**400.76**	**82.03**	**70.30**	**43.29**	**14.91**	**4,275.33**
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00		0.00		0.00	0.60	2.64	0.00	0.00	0.04	3.28
As at March 31, 2017	**229.69**	**2,979.81**	**77.07**	**159.67**	**115.02**	**102.78**	**400.16**	**79.39**	**70.30**	**43.29**	**14.87**	**4,272.05**
Depreciation												
Depreciation charge for the year 2015-16	0.00	0.00	68.12	5.26	16.78	14.41	33.22	12.88	19.47	16.06	5.23	191.43
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.32	0.00	0.00	13.32
As at March 31, 2016	**0.00**	**0.00**	**68.12**	**5.26**	**16.78**	**14.41**	**33.22**	**12.88**	**6.15**	**16.06**	**5.23**	**178.11**
Depreciation charge for the year	0.00	0.00	0.00	4.99	8.55	14.41	33.18	12.58	17.68	14.67	3.78	109.84
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2017	**0.00**	**0.00**	**68.12**	**10.25**	**25.33**	**28.82**	**66.40**	**25.46**	**23.83**	**30.73**	**9.01**	**287.95**
Net book value :												
As at March 31, 2017	229.69	2,979.81	8.95	149.42	89.69	73.96	333.76	53.93	46.47	12.56	5.86	3,984.10
As at March 31, 2016	229.69	2,979.81	8.95	154.41	98.24	88.37	367.54	69.15	64.15	27.23	9.68	4,097.22

Notes:

I. Property, plant and equipment pledged as security

Refer to note 13 for information on assets pledged as security by the Company.

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4. Capital work in progress

	As at 01-04-2015	Additions/ Adjustments	Capitalized	As at 31-Mar-2016	Additions/ Adjustments	Capitalized	As at 31-Mar-2017
Land & Site Development	5,826.82	(1,201.25)	-	4,625.57	0.79	-	4,626.36
Roads, bridges, culverts	4,248.35	3,724.92	-	7,973.27	-	-	7,973.27
Buildings :	-	-	-	-	-	-	-
Plant and ancillary buildings	1,046.29	(403.28)	-	643.01	(3.10)	-	639.91
Plant and equipments	350,980.80	12,018.54	-	362,999.34	2,048.58	-	365,047.92
Electric Installation, Substation, lines & Gene	157.57	-	-	157.57	-	-	157.57
Solar Power Projects	81.14	(81.14)	-	-	-	-	-
Survey Design & Engineering Expenses	202.44	(88.76)	-	113.68	-	-	113.68
Material under Inspection	6.35	(0.10)	-	6.25	-	-	6.25
Expenditure on enabling assets	505.82	(505.82)	-	-	-	-	-
Expenditure pending allocation	163,595.23	3,286.74	-	166,881.97	(2,273.34)	-	164,608.63
Construction stores							
Steel, Cement and Other construction stores	492.58	(231.44)	-	261.14	(33.42)	-	227.72
Material Issued to contractor	449.44	124.79	-	574.23	(284.22)	-	290.01
Total	**527,592.83**	**16,137.38**	-	**544,236.03**	**(544.71)**	-	**543,691.32**

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5. Intangible Assets under development

	Right of Use-Land	Total
Cost		
As at April 1, 2015	79.52	79.52
Additions	94.03	94.03
Disposals	-	-
As at March 31, 2016	173.55	173.55
Additions	-	-
Di[redacted]osals	-	-
[redacted] March 31, 2017	173.55	173.55

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PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 1.4.2015
Note No. 6 to 8 to the Financial Statements			
FINANCIAL ASSETS			
6. INVESTMENTS			
Investments in equity shares (unquoted)			
MANDAKINI COAL CO LTD 100 (March 31, 2016 : 100, April 1, 2015 : 100) Equity shares of Rs.10 each fully paid up	**0.01**	0.01	0.01
MANDAKINI EXPLORATION & MINING LTD. (JOINT VENTURE) 13,500 (March 31, 2016 : 13,500, April 1, 2015 : 13,500) Equity shares of Rs.10 each fully paid up	**1.35**	1.35	1.35
MONNET SPORTS FOUNDATION (ASSOCIATES) 5,000 (March 31, 2016 : 5,000, April 1, 2015 : 5,000) Equity shares of Rs.10 each fully paid up	**0.50**	0.50	0.50
Total	**1.86**	1.86	1.86
Aggregate value of unquoted investments	**1.86**	1.86	1.86

a) Non-Current investments have been valued considering the significant accounting policy no.'o' disclosed in Note no. 1&2 to these financial statement.

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7. LOANS#
(Considered good, unless otherwise stated)

	Non Current 31 March 2017	Non Current 31 March 2016	Non Current 1 April 2015	Current 31 March 2017	Current 31 March 2016	Current 1 April 2015
DEPOSITS (Unsecured)						
'Deposit with Government authorities & others	88.34	1,128.05	1,131.37			
Loan and advances to employees				5.49	11.32	30.78
	88.34	1,128.05	1,131.37	5.49	11.32	30.78
Total	**88.34**	**1,128.05**	**1,131.37**	**5.49**	**11.32**	**30.78**

8. Other financial assets
(Unsecured, considered good)

	Non Current 31 March 2017	Non Current 31 March 2016	Non Current 1 April 2015	Current 31 March 2017	Current 31 March 2016	Current 1 April 2015
Bank Deposits with maturity beyond twelve months*	-	4,375.91	3,386.56			
Interest Accrued on term deposits				30.42	101.82	80.57
Income tax advances	112.44	88.76	-			
	112.44	4,464.67	3,386.56	30.42	101.82	80.57
Total	**112.44**	**4,464.67**	**3,386.56**	**30.42**	**101.82**	**80.57**

*Deposits are under lien with bank as margin towards derivative arrangements.

9. Other non-financial assets

	Non Current 31 March 2017	Non Current 31 March 2016	Non Current 1 April 2015	Current 31 March 2017	Current 31 March 2016	Current 1 April 2015
Other loans and advances (Unsecured considered good, unless otherwise stated)						
Capital Advances						
Secured against bank gaurantee	198.29	265.49	1,639.33			
Other Capital Advances	5,727.09	3,991.87	23,657.81			
Advance to Others				1,034.88	235.32	269.93
Prepaid expenses				92.62	92.12	122.88
	5,925.38	4,257.36	25,297.14	1,127.50	327.44	392.81
Total	**5,925.38**	**4,257.36**	**25,297.14**	**1,127.50**	**327.44**	**392.81**

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(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 1.4.2015
10. CASH & BANK BALANCES			
CASH & CASH EQUIVALENTS			
Balances with banks			
On current accounts	**47.51**	**55.26**	10.08
On deposit accounts	**217.37**	**165.71**	143.97
Cash on hand	**1.58**	**1.04**	2.43
Total	**266.46**	**222.00**	156.49
10A. Bank balances other than above			
Margin Money (pledged with banks against credit facilities/other arrangements/interest payments)	**760.64**	**753.29**	1,581.82
	760.64	**753.29**	1,581.82

For the purpose of statement of cash flows, cash and cash equivalents comprises the following :

Balances with banks			
On current accounts	47.51	55.26	10.08
On deposit accounts	217.37	165.71	143.97
Cash on hand	1.58	1.04	2.43
Total	**266.46**	**222.00**	156.49

Specified Bank Notes (SBN) disclosure

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	0.41	0.01	0.42
(+) Withdrawal from Bank accounts		0.50	0.50
(+) Permitted receipts		1.34	1.34
(-) Permitted payments		(1.22)	-1.22
(-) Amount deposited in Banks	(0.41)		-0.41
Closing cash in hand as on 30.12.2016	-	**0.63**	**0.63**

Note : For the purposes of this clause, the term "specified bank notes" shall have the same meaning provided in the notification of Govt. of India, in the ministry of finance, department of economic affairs number S.O.3407 ('E) dated 08th November 2016.

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PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 1.4.2015
11. SHARE CAPITAL			
AUTHORISED			
Equity Share Capital			
200,00,00,000 shares of par value of Rs.10/- each (31.03.2016: 200,00,00,000, 01.04.2015: 200,00,00,000 shares of par value of Rs.10/- each)	**200,000.00**	200,000.00	200,000.00
Preference Share Capital			
10,00,000 (31.03.2016: 10,00,000, 01.04.2015: 10,00,000) 0.001% compulsorily convertible preference shares (CCPS) of par value of Rs.100/- each	**1,000.00**	1,000.00	1,000.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP			
Equity Share Capital			
77,74,75,931 shares of par value of Rs 10/- each (31.03.2016: 77,74,75,931, 01.04.2015: 77,74,75,931 shares par value of Rs.10/- each)	**77,747.59**	77,747.59	77,747.59
Preference Share Capital			
10,00,000 (31.03.2016: 10,00,000, 01.04.2015: 10,00,000) 0.001% compulsorily convertible preference shares (CCPS) of par value of Rs.100/- each	**1,000.00**	1,000.00	1,000.00
TOTAL	**78,747.59**	78,747.59	78,747.59

NOTES:

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Number of shares outstanding as at the beginning of the year			
Equity	**777,475,931.00**	**777,475,931.00**	720,675,931
Preference	**1,000,000.00**	1,000,000.00	1,000,000.00
Number of shares issued during the year			
Equity	**NIL**	NIL	56,800,000
Preference	**NIL**	NIL	0
Number of shares outstanding as at the closing of the year			
Equity	**777,475,931.00**	777,475,931.00	777,475,931
Preference	**1,000,000.00**	1,000,000.00	1,000,000.00

b) (i) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to vote in proportion to their shareholdings at meetings of the Company. The company has only one class of equity shares.

(ii) Preference shares- Terms and conditions of issue: The CCPS are carrying dividend @ 0.001%. Each holder of CCPS is entitled to vote in meetings of the company only on resolutions which directly affect the rights attached to CCPS. Each CCPS can be converted in to fully paid up equity shares of the company after 15 years of date of issue subject to maximum tenure of 20 years from the date of issue. Alternatively CCPS shall be converted in the events of (i) Occurrence of IPO of the company (ii) exit of investor from the company. Each CCPS is convertible into 3.37 equity shares of the company.

c) Monnet Ispat & Energy Ltd is holding company of the company and shares held by such holding company are mentioned in (d) hereunder.

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d) Following share holders held more than 5% shares in the company as at the end of the year:

Name of share holder	No of shares (% shares)	No of shares (% shares)	No of shares (% shares)
EQUITY			
Monnet Ispat & Energy Ltd	**68,65,87,019 (88.31%)**	68,65,87,019 (88.31%)	**68,65,87,019 (88.31%)**
BCP V Singapore FVCI PTE LTD.	**9,08,88,312 (11.69%)**	9,08,88,312 (11.69%)	**9,08,88,312 (11.69%)**
* 600 shares are held by other shareholders which have no impact on % holding.			
PREFERENCE			
BCP V Singapore FVCI PTE LTD.	**10,00,000 (100%)**	10,00,000 (100%)	10,00,000 (100%)

e) The company has not issued shares for a consideration other than cash or bonus shares and has not bought back any share during the immediately preceding 5 years.

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12. Other Equity

	Amount
a) Securities Premium Account	
As at 1 April 2015	
Changes during the year	**18,831.17**
As at 31 March 2016	**-**
Changes during the year	**18,831.17**
As at 31 March 2017	**-**
	18,831.17
b) Retained Earnings	
As at 1 April 2015	
Profit (Loss) for the year 2015-16	(1,582.85)
As at 31 March 2016	(11,645.87)
Profit (Loss) for the year 2016-17	**(13,228.72)**
As at 31 March 2017	(2,611.59)
	(15,840.31)
Total other equity	
As at 31 March 2017	
As at 31 March 2016	**2,990.86**
As at 1 April 2015	5,602.45
	17,248.32

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13. Borrowings

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
A. Equity Mezzanine Loans						
Subordinate Debts						
Secured Long Term						
From Banks	13,168.42	15,029.08	15,136.54			
From Financial Institutions	12,058.31	13,405.23	13,405.23			
	25,226.73	**28,434.31**	**28,541.77**	-	-	-
B. Term Loan						
Secured						
From Banks	281,070.97	320,821.99	321,538.72			
From financial institution	44,444.19	55,967.09	52,592.09			
	325,515.16	376,789.08	374,130.81	-	-	-
	350,741.89	**405,223.39**	**402,672.58**	-	-	-

A. Notes in respect of mezzanine loans

1 Rupee Terms loans from Banks and Financial institutions are secured by second charge on all movable and immovable assets, both present and future, created in favour of the Security Trustee M/s IL & FS Trust Company Ltd on behalf of all the mezzanine lenders. The loans are further secured by English Mortgage & assignment of Project Rights on second charge basis. The loans are further secured by personal guarantee of one of Director of the company.

2 Equity Mezzanine Loans from various financial institutions and banks are subordinate debts and are classified by the lenders in the nature of quasi-equity towards part financing of equity capital for the 1050 MW power project of the company. The loan though classified as non current liability in the financial statements are considered as part of equity capital by the management. The loans carry a rate of interest 2% over and above the rate of senior debt as disclosed in note no 5.

3 The loans have been restructured during the previous financial year and according to revised terms the same continue to be repayable in equal quarterly installments over a period of 12.5 years after a revised moratorium period of 1.5 years which generally falls in June 2017.

4 Default in repayment of loan and/or interest is shown in Note No. 41 . Interest for the year in most of the cases has not been paid substantially in view of settlement/negotiation proposals with the lenders. Refer Note No. 31 (a)

B. Notes in respect of Term loans

A. Details of security in respect of long term borrowings

1 1. All the above Terms loans from Banks and Financial institutions are secured by first charge in favour of Security Trustee M/s IDFC Ltd. on behalf of all the lenders. The loans are secured with English Mortgage & assignment of Project Rights and also secured inter-alia on first charge basis by mortgage through deposit of original title deeds of land of the Company.

2 2. The term loans are further secured by pledge of shares of the Company held by the holding company to the extent of 63 %.

B. Other Disclosures related to long term borrowings

3 3. The term loans have been restructured on 12th September 2014 and are repayable as per terms of the revised agreement in equal quarterly installments over a period of 12.5 years after a moratorium period of 1.5 years which generally falls in June 2017.

4 The interest rates of banks are guided by terms and conditions of respective banks and as per the Common Rupee Loan Agreement (CLRA) signed with the banks. The rates of interest for all participating lenders have changed in line with the base rate of respective lender.

5 5. The external commercial borrowings carried rate of interest of 6 month LIBOR plus spread of 450 to 500 bps on 360 days basis. The loans are repayable in 10 semi-annual unequal installments after a moratorium period of three/four years.

6 6. There has been no continuing default in repayment of loan in view of restructuring agreement with the lenders. Interest for the year in most of the cases has not been paid substantially in view of settlement / negotiation proposals with the lenders. Refer Note No. 31 (a)

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees Lacs, unless otherwise stated)

14. Other Financial Liaiblities
(at amortised cost)

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Current maturities of long term debt (secured)	-	-	-	57,221.02	3,833.43	3,375.00
Interest accrued but not due on borrowings	-	-	-	-	-	556.77
Interest accrued and due on borrowings	-	-	-	-	-	77.46
Retention from contractors and others (Capital)	-	-	-	22,913.50	22,720.97	21,731.19
Derivative liability	-	7,225.51	7,225.51	829.21	1,001.09	-
Deferred upfront fee liability	-	-	-	2,815.88	2,815.88	2,815.88
Oustanding liabilities*	-	-	-	11,598.22	7,244.61	3,217.21
Payable for capital expenditures	-	-	-	24,529.42	24,987.06	25,373.73
	-	7,225.51	7,225.51	119,907.25	62,603.04	57,147.24
***It includes amount payable to Monnet Ispat & Energy Ltd - Holding Company**	-	-	-	11,401.75	7,052.66	2,999.13

Break-up of financial liabilities carried at amortised cost

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Trade Payables	-	-	-	124.37	16.00	9.11
Other financial liabilities	-	7,225.51	7,225.51	119,907.25	62,603.04	57,147.24
Borrowings (non current)	350,741.89	405,223.39	402,672.58	-	-	-
	350,741.89	**412,448.90**	**409,898.09**	**120,031.62**	**62,619.04**	**57,156.35**

15. Provisions

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
15 a. Provision for employee benefits						
Provision for gratuity	21.80	47.54	41.54	-	-	-
Provision for compensated absences	-	-	-	18.70	41.05	56.82
	21.80	47.54	41.54	18.70	41.05	56.82

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15 b. Current tax liabilities (net)						
Provision for Tax (Net of advance tax & TDS)	-	-	-	-	-	11.63
	-	-	-	-	-	**11.63**
15 c. Provision for Proposed dividend and dividend tax on Preference Shares	-	-	-	0.04	0.04	0.04
	-	-	-	**0.04**	**0.04**	**0.04**
TOTAL	**21.80**	**47.54**	**41.54**	**18.74**	**41.09**	**68.49**

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16. Trade payables

	31 March 2017	31 March 2016	1 April 2015
Trade payables			
- total outstanding dues of micro and small enterprises;			
- total outstanding dues of creditors other than micro and small enterprises	-	-	-
Others	124.37	16.00	9.11
Total	**124.37**	**16.00**	**9.11**

Notes:
I. Others include acceptances and employee compensation payable.
II. Disclosure with respect to related party transactions is given in note 37.

Terms and conditions of the above financial liabilities:
'The company has not received any confirmation from any of the creditors as a unit being registered as micro or small enterprise under MSMED Act 2006 hence no disclosure in respect thereof is not given. For explanations on the Company's credit risk management processes, refer to Note 27

17. Other Current Liabilities

	31 March 2017	31 March 2016	1 April 2015
Statutory dues payable	3,615.00	268.00	349.71
Total	**3,615.00**	**268.00**	**349.71**

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18. Other income

	31 March 2017	31 March 2016
Interest income on:		
Term Deposits	93.48	102.44
Others	0.93	-
Total	**94.41**	**102.44**

19. Employee benefits expense

	31 March 2017	31 March 2016
Salaries, wages and amenities	621.55	1,355.78
Contribution to provident fund and other funds	26.97	35.96
Staff welfare expenses	9.61	47.21
Total	**658.13**	**1,438.95**

20. Finance Costs

	31 March 2017	31 March 2016
Interest on debt and borrowings	813.57	8,522.19
Other ancillary borrowing costs	434.34	425.56
Total	**1,247.91**	**8,947.75**

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21. Other expenses

	31 March 2017	31 March 2016
Printing & Stationery	0.70	3.79
Vehicle Expenses	36.14	59.17
Aircraft Expenses	262.36	414.58
Rent, Rates & Taxes	150.46	84.03
Repair & Maintenance	26.14	38.06
Legal & Professional charges	78.48	157.54
Auditor's Remuneration		
- Audit Fees	12.65	12.60
- For Taxation and other Matters	10.46	9.52
Communication Expenses	14.16	25.78
Directors Meeting Fees	7.80	4.28
Travelling & Conveyance	20.04	48.11
Subscription & Membership	-	1.65
Project Expenses Written off	-	56.14
Insurance	5.89	19.91
Corporate Social Responsibility Expenses	1.37	62.06
Electricity & Power Expenses	69.47	89.42
Miscellaneous Expenses	18.59	60.18
Loss on sale of Construction Stores	15.73	94.50
Loss on sale of fixed assets (net)	1.46	0.12
	731.90	1,241.44

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22. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-17	31-Mar-16
Profit for the year as per Statement of Profit & Loss	(2,653.37)	(11,662.13)
Profit attributable to equityholders of the Company for basic earnings	**(2,653.37)**	**(11,662.13)**
	No. Lakhs	**No. Lakhs**
Weighted average number of equity shares in calculating basic EPS	7,774.76	7,774.76
Effect of dilution:		
Weighted average number of equity shares in calculating diluted EPS	**7,774.76**	**7,774.76**
Earnings per equity share in Rs.		
Basic	(0.34)	(1.50)
Diluted	(0.34)	(1.50)
Face Value of each equity share	**10**	**10**

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
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23. Employee benefit plans

Defined Contribution Plans - General Description
Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the povident fund is Rs. 26.97 lacs.(31 March 2016 Rs. 35.96 lacs.)

Defined Benefit Plans - General Description
Gratuity:
The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Changes in the present value of the defined benefit obligation are, as follows:

	31 March 2017	31 March 2016	31-Mar-15
Defined benefit obligation at the beginning of the year	78.84	87.29	17.75
Current service cost	12.21	17.75	3.89
Interest cost	6.36	6.95	
Benefits paid	(23.64)	(14.77)	(1.10)
Actuarial (gain)/ loss on obligations - OCI	(41.58)	(18.38)	(16.25)
Defined benefit obligation at the end of the year	**32.19**	**78.84**	**4.29**

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Changes in the fair value of plan assets are, as follows:

	31 March 2017	31 March 2016
Fair value of plan assets at the beginning of the year	31.30	44.64
Contribution by employer	-	-
Benefits paid	(23.64)	(14.77)
Expected Interest Income on plan assets	2.53	3.55
Acturial gain/(loss) on plan asset	0.20	(2.13)
Fair value of plan assets at the end of the year	10.39	31.29

Reconciliation of fair value of plan assets and defined benefit obligation:

	31 March 2017	31 March 2016
Fair value of plan assets	10.39	33.40
Defined benefit obligation	32.19	78.84
Amount recognised in the Balance Sheet	21.80	45.44

Amount recognised in Statement of Profit and Loss:

	31 March 2017	31 March 2016
Current service cost	12.21	17.75
Interest expense	3.84	3.39
Expected return on plan asset	0.20	(0.02)
Amount recognised in Statement of Profit and Loss	16.25	21.12

Amount recognised in Other Comprehensive Income:

	31 March 2017	31 March 2016
Actuarial changes arising from changes in financial assumptions	1.62	(0.85)
Return on plan assets (excluding amounts included in net interest expense)	-0.20	2.12
Experience adjustments	(43.20)	(17.53)
Amount recognised in Other Comprehensive Income	-41.78	-16.26

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The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity **Investment Details**	**31 March 2017**	**31 March 2016**	**1 April 2015**
Investment with Gratuity Trust	**Funded**	**Funded**	**Funded**

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.57%	8.07%	7.96%
Expected rate of return on Plan assets	7.57%	8.07%	7.96%
Future salary increases	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%
Retigerment age	60 years	60 years	60 years

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Gratuity Plan

	Sensitivity level		Impact on DBO	
Assumptions	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Discount rate	+0.25%	+0.25%	(0.83)	-1.88
	-0.25%	-0.25%	0.87	1.95
Future salary increases	+0.25%	+0.25%	0.89	2.01
	-0.25%	-0.25%	(0.85)	-1.93
Attrition Rate	+0.25%	+0.25%	0.24	0.58
	-0.25%	-0.25%	(0.25)	-0.60

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
Sensitivities due to mortality and withdrawals are insiginificant and hence ignored.
Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

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The following payments are expected contributions to the defined benefit plan in future years (In absolute terms i.e. undiscounted):

	31 March 2017	31 March 2016
Within the next 12 months (next annual reporting period)	4.19	9.57
Between 2 and 5 years	4.01	10.95
Between 6 and 10 years	10.38	40.85
Total expected payments	**18.58**	**61.37**

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MONNET POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees Lacs, unless otherwise stated)

24. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	-	-	-
Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.			
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-
	-	-	-

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
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25. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

	Carrying value			Fair value		
	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Financial assets						
Investments	1.86	1.86	1.86	1.86	1.86	1.86
Loans	1,215.84	1,455.49	1,524.18	1,215.84	1,455.49	1,524.18
Cash and cash equivalents	266.46	222.00	156.49	266.46	222.00	156.49
Other bank balances	873.08	5,217.96	4,968.38	873.08	5,217.96	4,968.38
Other financial assets	30.42	101.82	80.57	30.42	101.82	80.57
Total	2,387.66	6,999.13	6,731.48	2,387.66	6,999.13	6,731.48
Financial liabilities						
Financial liabilities measured at amortised cost						
Long term borrowings	350,741.89	405,223.39	402,672.58	350,741.89	405,223.39	402,672.58
Current maturities of long term debt	57,221.02	3,833.43	3,375.00	57,221.02	3,833.43	3,375.00
Trade payables	124.37	16.00	9.11	124.37	16.00	9.11
Security deposits received/Retention from contractor and c	22,913.50	22,720.97	21,731.19	22,913.50	22,720.97	21,731.19
Derivative liability	829.21	8,226.60	7,225.51	829.21	8,226.60	7,225.51
Deferred upfront fee liability	2,815.88	2,815.88	2,815.88	2,815.88	2,815.88	2,815.88
Creditors for capital expenditures	24,529.42	24,987.06	25,373.73	24,529.42	24,987.06	25,373.73
Oustanding liabilities	11,598.22	7,244.61	3,217.21	11,598.22	7,244.61	3,217.21
Other payables (Interest)	-	-	634.23	-	-	634.23
Total	470,773.51	475,067.94	467,054.44	470,773.51	475,067.94	467,054.44

The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of fianncial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investments in mutual funds is determined using quoted net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other then investments in mutual funds) is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the Company's interest bearings borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.

- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

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26. Fair hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which hass a significant effect on fair value measurement is not based on observable market data.

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MONNET POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees Lacs, unless otherwise stated)

27. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise, borrowings, trade and other payables, security deposits, employee liabilities. The Company's principal financial assets include trade and other receivables, inventories and cash and short-term deposits/ loan.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. 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. Financial instruments affected by market risk include , deposits.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 33(d).

The following assumptions have been made in calculating the sensitivity analyses:
- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. However the risk is very low due to negligible borrowings by the Company.

	Increase/decrease in basis points	Effect on profit before tax
		INR in Lacs
31-Mar-17		
INR	+50	2,554.00
INR	-50	(2,554.00)
31-Mar-16		
INR	+50	2,269.00
INR	-50	(2,269.00)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax
		INR in Lacs
31-Mar-17	+5%	3,050.00
	-5%	(3,050.00)
31-Mar-16	+5%	3,121.00
	-5%	(3,121.00)

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date

A. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

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III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. In Lacs)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31-Mar-17						
Borrowings*	3,747.07	10,680.06	31,192.90	220489.75	141,853.14	407,962.92
Trade payables	124.37	-	-	-	-	124.37
Other financial liabilities	62,686.23	-	-	-	-	62,686.23
	66,557.67	**10,680.06**	**31,192.90**	**220,489.75**	**141,853.14**	**470,773.52**
Year ended						
31-Mar-16						
Borrowings*	-	1,428.26	2,318.81	225,809.31	179,500.43	409,056.81
Trade payables	16.00	-	-	-	-	16.00
Other financial liabilities	65,995.12	-	-	-	-	65,995.12
	66,011.12	**1,428.26**	**2,318.81**	**225,809.31**	**179,500.43**	**475,067.93**
As at 1 April 2015						
Borrowings*	-	-	-	145,906.00	**260,141.58**	406,047.58
Trade payables	9.11	-	-	-	-	9.11
Other financial liabilities	60,997.75	-	-	-	-	60,997.75
	61,006.86	-	-	**145,906.00**	**260,141.58**	**467,054.44**

* In absolute terms i.e. undiscounted and including current maturity portion

IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company's marketing facilities are situated in different geographies. Similarly the distribution network is spread PAN India.

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28. Capital Management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2017.

The Company has Rs. 5,27,870.15 Lakhs borrowings as at 31 March 2017 (31 March 2016: Rs. 4,78,885.35 Lakhs).

	31 March 2017	31 March 2016	1 April 2015
Total Liabilities	474,429.05	475,424.57	467,514.18
Less: Cash and cash equivalents	266.46	222.00	156.49
Net debts	**474,162.59**	**475,202.57**	**467,357.69**
Total equity	**81,738.45**	**84,350.04**	**95,995.91**
Capital and Net Debt	**555,901.04**	**559,552.61**	**563,353.60**
Gearing ratio (%)	**85.3%**	**84.9%**	**83.0%**

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees Lacs, unless otherwise stated)

29 **Disclosure of Movement in Provisions during the year as per AS- 37, 'Provisions, Contingent Liabilities and Contingent Assets' :**

Particulars	Balance As on 1.4.2016	Provided During the year	Paid/Adjusted During the year	Balance As on 31.3.2017
Non-current provisions				
Gratuity	47.54	0	25.73	21.80
Provision for Derivative loss (Mark to Market)	8,226.61	0	7,397.40	829.21
Total	**8,274.15**	**0.00**	**7,423.13**	**851.01**
Current provisions				
Provision for Proposed dividend and dividend tax on Preference Shares	0.04	0.00	0.00	0.04
Accumulated leaves	41.05	0	22.35	18.70
Income Tax	0.00	0.00	0.00	0.00
Total	**41.09**	**0.00**	**22.35**	**18.74**
Grand total	**8315.24**	**0.00**	**7445.48**	**869.75**

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30 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied:
1. Mandatory exceptions;
a) Estimates
The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:
► Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

b) De-recognition of financial assets:
The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets:
i. Financial Instruments:
Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

d) Impairment of financial assets: (Trade receivables and other financial assets)
At the date of transition to Ind ASs, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

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Optional exemptions;

A. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

B. Lease:-
Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

C. Business combinations:
Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

The company has elected to apply this exemption.

D. Investment in subsidiaries, jointly controlled entities and associates in SFS :
At transition date, entity may choose to account for its investment at:
- Cost as per Ind AS 27 determined at transition date.
- Fair value as per Ind AS 113 (only on transition date).
- Previous GAAP carrying amount.
- Fair value as per Ind AS 109 (recurring fair valuation without recycling).

The company has elected to apply previous GAAP carrying amount exemption.

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MONNET POWER COMPANY LIMITED

OTHER NOTES ON ACCOUNTS

31.

a.) During the year construction activities at Power Plant of the company have remained suspended and the borrowings of the company have continued to be classified as NPA (Non-performing asset) by most of the lenders. In this respect, amount claimed/charged by lenders towards interest/penal interest has not been provided in view of uncertainty in actual liability of unpaid interest, which shall be arrived upon on settlement/agreement/payment with/to the lenders. Had the interest been provided (based on the original terms of loans with the lenders) loss for the year and preceding year would have been higher by Rs. 578.45 crores and Rs. 432.15 crores respectively with a corresponding increase in liability/borrowings of accumulated amount of Rs. 1010.60 crores.

In view of facts stated above borrowings as appearing in the financial statements including accounts appearing in deposits in form of margin money etc., are subject to confirmation from the lenders. Any differences in amount payable to lenders towards principal or interest etc. on final settlement shall be adjusted as and when the same is ascertained.

In respect of aforesaid constraints, the Company together with the lenders, is taking requisite steps to resolve the financial difficulties. In this context, the bidding process as monitored by IDFC on behalf of the lenders, is at advanced stage and arrangement of necessary financial resources to complete and run the project is a critical part of the said bidding process.

Nonetheless, considering the management perception as stated in preceding para, the accounts have been prepared on going concern basis stating the entire assets and liabilities at book value. Pursuant to provisions of Ind AS 23, interest and other expenses for the year has been charged to Statement of Profit & Loss in view of delay in completion of project. Further in view of the management the assets of the company are stated at lower than the future economic benefits/consideration expected to realize from these assets, hence no loss towards impairment is envisaged.

b.) Further balances of vendors, contractors and suppliers are stated at the book value, adjustment if any shall be carried out at the time of reconciliation with the party. Certain contractors have made representations towards escalatory claims for elongation of the construction work at project. Value of such claims is not ascertainable at the end of the year.

32. Pursuant to bidding system of Ministry of Coal, the company has been allotted coal blocks namely Utkal C for which necessary formalities as per guidelines of Ministry of Coal were pending. In respect of this coal block the company had filed a writ petition in Hon'ble High Court of Delhi on certain terms of bidding. In view of the decision of Hon'ble High Court of Delhi dated 09.03.2017, the company has withdrawn from aforesaid coal block bid. Nonetheless this has no impact on the financial statements of the company.

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33		(Rs. In Lacs)		
		31.03.2017	**31.03.2016**	**01.04.2015**
a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	**130242.50**	141664.49	144040.23
b)	Outstanding Letter of credit opened in favour of inland/overseas suppliers	**Nil**	NIL	NIL
c)	Counter Guarantees given in respect of guarantees issued by Company's Bankers.	**5667.90**	6419.62	9913.97
d)	Contingent Liabilities:			
	- Entry Tax	**NIL**	3361.60	3361.60
	- Royalty on Soil Excavated	**200.01**	200.01	200.01
	- Income Tax	**47.43**	103.06	59.63
	- Claims against the company not acknowledged as debt	**42.56**	NIL	NIL

34. **Deferred Tax Asset/Liability**

The company is in the process of putting up its power project and is yet to commence operations and hence no impact has been worked out towards deferred tax assets/liability. The same shall be considered on commencement of business activities of generation of power.

35. **Segmental Reporting**:

The operations of the company are yet to be commenced and the project is at under implementation stage hence segmental reporting under Ins AS 108 have not been given.

36. In the opinion of the Management the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet except as otherwise stated.

37. **Related Party Disclosures:**

In accordance with the Ind AS-24 on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

A. **Relationships**

Holding Company

Monnet Ispat & Energy Limited

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Associates Company
Mandakini Exploration and Mining Limited

Key Managerial Personnel
Mr. Vijay Gupta - Whole Time Director (upto 06.06.2015)

B. The following transactions were carried out with the related party in the ordinary course of business: -

Rs.in Lacs)

NATURE OF TRANSACTIONS	KEY MANAGERIAL PERSON	HOLDING COMPANY	ASSOCIATE
Remuneration & Benefits	NIL (15.95) (68.02)		
Equity Contribution Received		NIL (NIL) (7100)	
Investment in Equity Shares			NIL (NIL) (1.35)
Purchase of Assets\Stores including land		NIL (502.43) (314.95)	
Sale of Store Items		16.47 (NIL) (33.83)	
Advance received		4107.10 (12472.56) (3499.13)	
Advance repaid		NIL (9018.15) (500.00)	
Interest paid		NIL (NIL) (6.51)	
Previous years figures are given in brackets			
Outstanding balances of related party are mentioned in the relevant note of the financial statements.			

38. Disclosure as per Accounting Standard-27 on Financial Reporting of interest in Joint Venture Entity namely **Mandakini Exploration and Mining Ltd** is not being done as the financial information/financial statements of the entity are not available. Since investment of the company is of nominal amount, the company does not foresee any significant share in assets, liabilities, income and expense of the joint venture entity. Company's ownership interest in the company is 27%. Further in absence of information as referred above consolidation financial statements in pursuant to provisions of Section 129 of Companies Act 2013 could not be prepared.

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39. Foreign currency exposure not hedged by derivative instrument or otherwise:

Particulars	31-03-2017 (in Lacs)		31-03-2016 (in Lacs)		01-04-2015 (in Lacs)	
	US $	Indian Rupee	US $	Indian Rupee	US $	Indian Rupee
Long Term Borrowings (including interest accrued but not due)	940.87	61005.01	940.87	62410.96	878.27	55528.56
Payable for capital expenditure (Net of Advance)	NIL	NIL	0.54	31.93	0.54	31.93

40. Pursuant to the order of Constitutional bench of H'able Supreme Court of India dated 11.11.2016 in respect of liability towards Entry tax in the state of Odisha, the company has during the year provided liability of Rs 3361.71 Lacs (excluding interest) towards accumulated entry tax.

41. Company has defaulted in repayment of dues to banks/financial institution for following amounts:

Particulars	Amount of Default as at balance sheet date Rs. in lacs	Period of Default
Loan and interest (including External commercial borrowing) from Various Banks/ Financial Institutions	104807.20	3 to 24 Months

42. Figures for the previous year have been regrouped or recasts wherever necessary.

43. Balances appearing in the current assets and current liabilities as receivable/payable to different parties are subject to confirmation from the respective party.

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
FRN NO 000018N

PARTNER

DIRECTOR **DIRECTOR**

Sapan.

CHIEF FINANCIAL OFFICER **CO SECRETARY**

PLACE : NEW DELHI
DATED : 30-5.17

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