

FINANCIAL STATEMENT  
2016-2017

**HCC POWER LIMITED**

# F-7 Laxmi Mills  
Shakti Mills Lane (Off Dr E Moses Rd)  
Mahalaxmi Mumbai 400 011 India  
Tel : 91 22 2493 2502 / 6655 1770  
Fax : 91 22 6655 1774  
Grams : VERIFY  
www.KSAiyar.com  
Mail@KSAiyar.com

## **Independent Auditor's Report**

**To the Members of HCC Power Limited,**

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **HCC Power Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, 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 significant accounting policies and other explanatory information.

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

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

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 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 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 Ind AS financial statement 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 Ind AS financial statements are free from material misstatement.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's reports to the shareholders of the Company dated April 26, 2016 and April 27, 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the said 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company does not have any long-term contracts having material foreseeable losses. The company does not have any derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosure requirement as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December 2016 as envisaged in Notification G.S.R 308(E) dated 30<sup>th</sup> March 2017 is not applicable to the Company – Refer note no. 8 (ii) to the Ind AS financial statement.

**For K. S. Aiyar & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No. 100186W

  
**Satish Kelkar**

**Partner**

Membership No: 38934

**Place: Mumbai**

**Date: April 25, 2017**

**Annexure - A to the Auditor's Report**

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2017, of **HCC Power Limited**)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There are no immovable properties in the books of the Company and accordingly sub clause (c) of clause (i) of the Order is not applicable.
- (ii) In absence of inventories, clause (ii) of the Order is not applicable to Company.
- (iii) The Company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - (b) In the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, no stipulation is made with regard to payment of interest.
  - (c) In the absence of stipulation with regard to payment of interest, we are unable to comment on the overdue interest amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security provided, provisions of section 185 and 186 of the Companies Act, 2013 where applicable have been complied with.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the Companies (Acceptance of Deposit) Rules 2014 or the directives issued by the Reserve Bank of India apply.
- (vi) We have been informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.



(vii) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further based on our examination of the records of the Company Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2017 for a period of more than six months from the date on which they became payable.

(b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

(viii) Based on our audit procedure and as per information and explanations given by management, the Company has defaulted in repayment of dues to Yes Bank in respect of interest and principal liabilities as per the following details:

Amount of Interest (Rs.)	Period of Delay (In Days)
6,51,44,127	0 to 30 days
6,90,59,281	31 to 60 days

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

(xi) In absence of any managerial personnel, no managerial remuneration is paid and therefore the provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

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

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3 (xiv) is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) is not applicable to the Company.

**K. S. AIYAR & CO**

CHARTERED ACCOUNTANTS

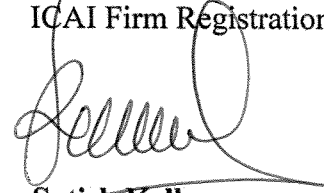
(xvi)

According to the information and explanations given to us, the company has been established for the purpose of development of power business. As the principle business of the company is not financing activity, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For K. S. Aiyar & Co.**

**Chartered Accountants**

ICAI Firm Registration No: 100186W



**Satish Kelkar**

**Partner**

Membership No.: 38934

**Place:** Mumbai

**Date:** April 25, 2017

**Annexure-B to Auditor's report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **HCC Power Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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





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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K. S. Aiyar & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No: 100186W



**Satish Kelkar**  
**Partner**  
Membership No.: 38934

**Place:** Mumbai  
**Date:** April 25, 2017

**HCC Power Limited**  
**Balance Sheet as on 31st March, 2017**  
(All amounts are in ₹ lakhs, unless stated otherwise)

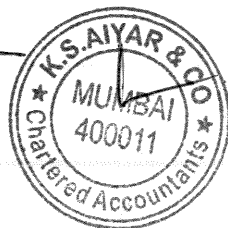
	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	4	0.57	0.72	0.86
Financial Assets				
Investments	5	5.00	5.00	-
Other Financial Assets	6a	353.78	-	-
Non-current Tax assets (net)	7	6.32	0.93	-
<b>Total Non Current Assets</b>		<b>365.68</b>	<b>6.64</b>	<b>0.86</b>
<b>Current assets</b>				
Financial Assets				
Cash and cash equivalents	8	259.79	79.01	3.10
Loans	9	27,250.46	8,743.96	-
Other financial asset	6b	1,871.10	129.40	-
<b>Total Current Assets</b>		<b>29,381.35</b>	<b>8,952.37</b>	<b>3.10</b>
<b>Total Assets</b>		<b>29,747.03</b>	<b>8,959.02</b>	<b>3.96</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	50.00	50.00	50.00
<b>Other equity</b>				
Reserves and Surplus	12	205.40	(51.52)	(46.62)
<b>Total Equity</b>		<b>255.40</b>	<b>(1.52)</b>	<b>3.38</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	13a	27,400.00	8,900.00	-
<b>Total Non Current Liabilities</b>		<b>27,400.00</b>	<b>8,900.00</b>	<b>-</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	13b	1,794.66	-	-
Other financial liabilities	14	292.91	60.00	0.05
Provisions	15	0.81	0.50	0.49
Other current liabilities	16	3.25	0.05	0.05
<b>Total Current Liabilities</b>		<b>2,091.63</b>	<b>60.54</b>	<b>0.58</b>
<b>Total Equity and Liabilities</b>		<b>29,747.03</b>	<b>8,959.02</b>	<b>3.96</b>

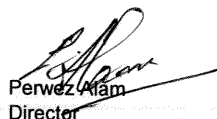
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached  
**For K.S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No. 100186W



Satish Kelkar  
Partner  
Membership No.:38934



  
Perwez Alam  
Director

  
Mahesh Sitaram Gaikwad  
Director

Place: Mumbai  
Date:

125 APR 2017

Place: Mumbai  
Date:

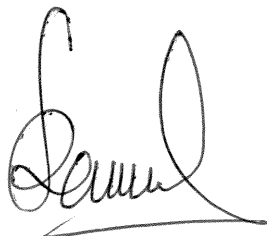
25 APR 2017

**HCC Power Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2017**  
**(All amounts are in ₹ lakhs, unless stated otherwise)**

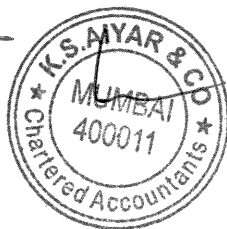
	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Continuing Operations</b>			
Other Income	17	1,748.05	130.33
<b>Total Income(I)</b>		<b>1,748.05</b>	<b>130.33</b>
<b>Expenses</b>			
Finance costs	18	1,898.28	134.25
Depreciation and amortization expense	19	0.14	0.14
Other expenses	20	4.43	0.83
<b>Total expenses(II)</b>		<b>1,902.86</b>	<b>135.23</b>
<b>Profit / (loss) before exceptional items and tax. III ( I - II )</b>		<b>(154.80)</b>	<b>(4.90)</b>
<b>Exceptional Items(IV)</b>		-	-
<b>Profit / (loss) before tax.V (III -IV)</b>		<b>(154.80)</b>	<b>(4.90)</b>
<b>Tax expense (VI)</b>			
Current tax		-	-
MAT Credit taken		-	-
<b>Profit/(Loss) for the period. VII( V- VI)</b>		<b>(154.80)</b>	<b>(4.90)</b>
<b>Earnings per equity share of Rs. 10 each :</b>			
Basic earnings per share	21	(30.96)	(0.98)
Diluted earnings per share		(30.96)	(0.98)

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

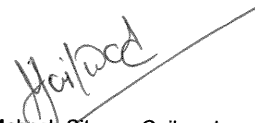
As per our report of even date attached  
**For K.S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No. 100186W



Satish Kelkar  
Partner  
Membership No.:38934




Perwez Alam  
Director



Mahesh Sitaram Gaikwad  
Director

Place: Mumbai  
Date:

125 APR 2017



Place: Mumbai  
Date:

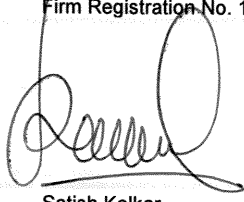
25 APR 2017

**HCC Power Limited**  
**Cashflow statement for the year ended 31st March 2017**  
 (All amounts are in ₹ lakhs, unless stated otherwise)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>A Cash Flow from operating activities</b>		
<b>Profit before income tax including discontinued operations</b>	(154.80)	(4.90)
<i>Adjustments for</i>		
<b>Add:</b>		
<i>Depreciation and amortisation expenses</i>	0.14	0.14
<i>Finance costs</i>	1,898.28	134.25
<i>Fair Value Adjustment of Corporate Guarantee</i>	411.72	-
<b>Less:</b>		
Interest received	(1,748.05)	(130.33)
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in other financial assets	(353.78)	-
Increase/(decrease) in other financial liabilities	0.10	(0.04)
Increase/(decrease) in provisions	0.32	0.01
Increase/(decrease) in other current liabilities	3.20	0.00
	57.13	(0.86)
<b>Cash generated from operations</b>		
Income taxes paid	(5.39)	(0.93)
<b>Net cash inflow from operating activities</b>	<b>51.73</b>	<b>(1.79)</b>
<b>B Cash flow from investing activities:</b>		
Capital advances		
Investment in equity shares of a subsidiary	-	(5.00)
Investment in equity shares of associates		
Short term deposits	(18,506.50)	(8,743.96)
Interest received	6.35	0.93
<b>Net cash outflow from investing activities</b>	<b>(18,500.15)</b>	<b>(8,748.03)</b>
<b>C Cash flow from financing activities</b>		
Repayment of long term borrowings	18,500.00	8,900.00
Repayment of short term borrowings	1,794.66	-
Interest paid	(1,665.47)	(74.26)
<b>Net cash inflow (outflow) from financing activities</b>	<b>18,629.19</b>	<b>8,825.74</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>180.77</b>	<b>75.92</b>
Add: Cash and cash equivalents at the beginning of the financial year	79.01	3.10
<b>Cash and cash equivalents at the end of the year</b>	<b>259.79</b>	<b>79.01</b>
Non Cash Financing and investing activities		
Acquisition of property, plant and equipment by means of finance lease		
<b>Reconciliation of Cash Flow statements as per the cash flow statement</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Cash Flow statement as per above comprises of the following</b>		
Cash and cash equivalents	259.79	79.01
Bank overdrafts	-	-
<b>Balances as per statement of cash flows</b>	<b>259.79</b>	<b>79.01</b>

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

As per our report of even date attached  
**For K.S. Aiyar & Co.**  
 Chartered Accountants  
 Firm Registration No. 100186W



Satish Kelkar  
 Partner  
 Membership No.:38934




Perwez Alam  
 Director

Mahesh Sitaram  
 Director



Place: Mumbai  
 Date:

25 APR 2017

Place: Mumbai  
 Date:

25 APR 2017



**HCC Power Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
 (All amounts are in ₹ lakhs, unless stated otherwise)

**Statement of Changes in Equity**

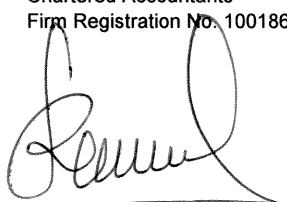
A <b>Equity share capital</b>	<b>Amount</b>
As at 1 April 2015	50.00
Changes in equity share capital	-
As at 31 March 2016	50.00
Changes in equity share capital	-
As at 31 March 2017	50.00

**B Other Equity**

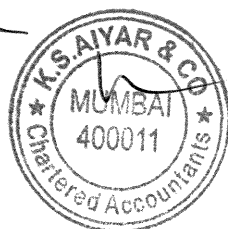
	<b>Retained Earnings</b>
<b>Balance as at 1st April, 2015</b>	<b>(46.62)</b>
Profit for the year	(4.90)
Capital Contribution	-
Other Comprehensive Income for the year	-
Changes in Equity	<b>(4.90)</b>
<b>Balance as at 31st March, 2016</b>	<b>(51.52)</b>
Profit for the year	(154.80)
Capital Contribution	-
Other Comprehensive Income for the year	-
Changes in Equity	(154.80)
<b>Balance as at 31 March, 2017</b>	<b>(206.33)</b>


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

**As per our report of even date**  
**For K.S. Aiyar & Co.**  
 Chartered Accountants  
 Firm Registration No. 100186W



Satish Kelkar  
 Partner  
 Membership No.:38934


  
 Perwez Alam  
 Director

  
 Mahesh Sitaram Gaikwad  
 Director

Place: Mumbai  
 Date:

25 APR 2017



Place: Mumbai  
 Date:

25 APR 2017

**HCC Power Limited**

**Notes to the financial statements for the year ended 31st March, 2017**

(All amounts are in ₹ lakhs, unless stated otherwise)

**1 Corporate information**

HCC Power Limited (the company) was incorporated under the Companies Act, 1956 on 3rd June, 2011 for the purpose of development of power business. The Company is 100% subsidiary of HCC Infrastructure Company Limited. In the coming year's company anticipate to bid in the Solar projects

**2 Summary of significant accounting policies**

**(a) Basis of preparation**

Ministry of Corporate affairs notified roadmap to implement Indian Accounting Standards ( Ind AS ) notified under the companies (Indian Accounting standards ) Rules, 2015 as amended by the companies (Indian Accounting standard ) Rules 2016. As per the said roadmap, the company is required to apply Ind AS commencing from financial year beginning on or after 1st April 2016. Accordingly, the financial statements of the Company have been prepared in accordance with Ind AS

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the 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 the Company has prepared in accordance with Ind AS. Refer to note 3 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following :

- i certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- ii assets under service concession arrangement;
- iii assets held for sale - measured at fair value less cost to sell
- iv defined benefit plans - plan assets measured at fair value.

**(b) Current & Non Current classification**

**Current Asset :**

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded
- (c) It is expected to be realized within twelve months after the reporting date, or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

**Current Liabilities:**

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date : or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification.

All other liabilities shall be classified as non-current.



**(c) Property, plant and equipment:**

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided as per the useful lives of the assets as per schedule II of Companies Act, 2013 using Straight Line Method (SLM).

**(d) Investments and other financial assets:**

i) Classification:

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement:

• **Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

• **Fair value through profit or loss:**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**(e) Cash and cash equivalents:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.



**(f) Income Tax:**

The Company does not have taxable income and hence no provision for current tax has been made. Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised. 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 utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(g) Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(h) Borrowings Cost:**

- i) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
- ii) Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- iii) Other borrowing costs are expensed in the period in which they are incurred.

**(i) Provisions and Contingent Liabilities:**

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

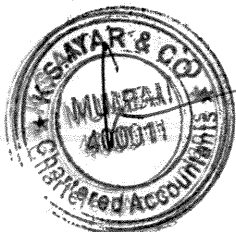
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liability is disclosed in the case of :

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will happen to settle the obligation
- b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent asset are disclosed (if any), where an inflow of economic benefits are probable.





(j) **Foreign currency translation:**

**Functional and presentation currency:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**Transactions and balances:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs (if any). All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Currently Company does not have any foreign operations.

(k) **Trade receivable**

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

(l) **Financial guarantee contract:**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(m) **Earnings per share:**

Basic Earnings per share is calculated by dividing the net profit / (loss) after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity in issue during the period. Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

(n) **Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities.

**Others**

Insurance and other claims are recognized as revenue on certainty of receipt basis.

Dividend income is recognized when the right to receive is established. Other items of income are accounted as and when the right to receive arises and recovery is certain.

(o) **Critical accounting estimates and judgements:**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.



### **3 First-time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flow is set out in the following tables and notes.

#### **Exceptions from full retrospective application**

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

##### **Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- 1) Investment in equity instruments carried at FVPL or FVOCI;
- 2) Impairment of financial assets based on expected credit loss model.

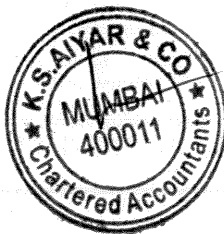
#### **Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of the transition to Ind As. The first reconciliation provides an overview of the impact on equity of the transition at 1 April 2015 and 31 March 2016.

The following reconciliations are providing details of the impact of the transition on:

- I. Equity at 1 April 2015
- II. Equity at 31st March 2016
- III. Net income 31st March 2016

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.



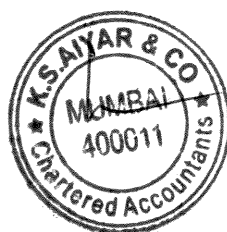
## I. Reconciliation of Equity as at April 1, 2015

(Rs in lacs)

	Note to first time adoptions	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		0.86	-	0.86
<b>Current assets</b>				
Cash and cash equivalents		3.10	-	3.10
<b>TOTAL</b>		<b>3.96</b>	<b>-</b>	<b>3.96</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		50.00	-	50.00
Other Equity		(46.62)	-	(46.62)
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Other financial liabilities		0.05	-	0.05
Other current liabilities		0.05	-	0.05
Provisions		0.49	-	0.49
<b>TOTAL</b>		<b>3.96</b>	<b>-</b>	<b>3.96</b>

## II. Reconciliation of Equity as at March 31, 2016

	Note to first time adoptions	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		0.72	-	0.72
<b>Financial Assets</b>				
Investments		5.00	-	5.00
Non-current Tax assets (net)		0.93	-	0.93
Other non-current assets		-	-	-
<b>Current assets</b>				
Cash and cash equivalents		79.01	-	79.01
Loans		8,743.96	-	8,743.96
Other financial assets		129.40	-	129.40
<b>TOTAL</b>		<b>8,959.02</b>	<b>-</b>	<b>8,959.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		50.00	-	50.00
Other Equity		(51.52)	-	51.52
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		8,900.00	-	8,900.00
<b>Current liabilities</b>				
Other financial liabilities		60.00	-	60.00
Other current liabilities		0.05	-	0.05
Provisions		0.50	-	0.50
Current Tax Liabilities (Net)		-	-	-
<b>TOTAL</b>		<b>8,959.02</b>	<b>-</b>	<b>8,959.02</b>



III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

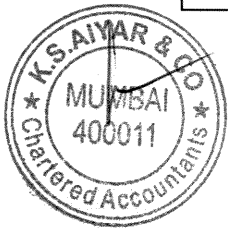
	Note to first time adoptions	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
Other Income		130.33	-	130.33
<b>Total</b>		<b>130.33</b>	-	<b>130.33</b>
<b>Expenses</b>				
Finance costs		134.25	-	134.25
Depreciation and amortization expense		0.14	-	0.14
Other expenses		0.83	-	0.83
<b>Total</b>		<b>135.23</b>	-	<b>135.23</b>
<b>Profit before exceptional items and tax</b>		<b>(4.90)</b>	-	<b>(4.90)</b>
Exceptional Items		-	-	-
<b>Profit before tax</b>		<b>(4.90)</b>	-	<b>(4.90)</b>
<b>Other Comprehensive Income for the year (B)</b>		-	-	-
<b>Total Comprehensive Income for the year (A+B)</b>		<b>(4.90)</b>	-	<b>(4.90)</b>



**HCC Power Limited**  
**Notes to the financial statements for the year ended March 31, 2017**  
(All amounts are in ₹ lakhs, unless stated otherwise)

**4 Property, Plant and Equipment**

Particulars	Computers	Office equipment	Furniture & Fixtures	Total
<b>Gross Block</b>				
Balance as at 1st April 2015	-	-	1.44	1.44
Additions	-	-	-	-
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March 2016</b>	<b>-</b>	<b>-</b>	<b>1.44</b>	<b>1.44</b>
Balance as at 1st April 2016	-	-	1.44	1.44
Additions	-	-	-	-
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>-</b>	<b>-</b>	<b>1.44</b>	<b>1.44</b>
<b>Accumulated Depreciation</b>				
Balance as at 1st April 2015	-	-	0.58	0.58
Additions	-	-	0.14	0.14
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March 2016</b>	<b>-</b>	<b>-</b>	<b>0.72</b>	<b>0.72</b>
Balance as at 1st April 2016	-	-	0.72	0.72
Additions	-	-	0.14	0.14
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>-</b>	<b>-</b>	<b>0.86</b>	<b>0.86</b>
<b>Net Block</b>				
Balance as at 1st April 2015	-	-	0.86	0.86
Balance as at 31st March 2016	-	-	0.72	0.72
Balance as at 31st March 2017	-	-	0.57	0.57



HCC Power Limited

Notes to the financial statements for the year ended March 31, 2017

(All amounts are in ₹ lakhs, unless stated otherwise)

5 Investment

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non-current</b>			
<b>Investment in subsidiaries</b>			
<b>Unquoted</b>			
<b>i. Equity instruments</b>			
<b>In subsidiary Companies</b>			
In HCC Energy Limited	5.00	5.00	-
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>-</b>

6 Other financial assets

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(Unsecured unless otherwise stated)</b>			
<b>6a Non-current</b>			
<b>Considered good</b>			
Corporate Gurantee given to Banks by Holding Company	353.78	-	-
<b>Non-current total (A)</b>	<b>353.78</b>	<b>-</b>	<b>-</b>
<b>6b Current</b>			
<b>Considered good</b>			
Fixed Deposit (more than 3 months upto 12 months)			
Interest receivable on ICD (refer note 20)	1,871.10	129.40	-
<b>Current total (B)</b>	<b>1,871.10</b>	<b>129.40</b>	<b>-</b>
<b>Total (A+B)</b>	<b>2,224.88</b>	<b>129.40</b>	<b>-</b>

7 Non-current Tax assets (net)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Opening Balance			-
Add: Current tax Payable for the year	6.32	0.93	
Less: Taxes paid			
<b>Total</b>	<b>6.32</b>	<b>0.93</b>	<b>-</b>

8 Cash and cash equivalents

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Cash on hand	-	-	-
Balances with Banks			
In current accounts	259.79	79.01	3.10
<b>Total</b>	<b>259.79</b>	<b>79.01</b>	<b>3.10</b>

- i There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.
- ii The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and hence the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company.

9 Loans

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Loans to related parties (Refer Note 20)	27,250.46	8,743.96	-
<b>Total</b>	<b>27,250.46</b>	<b>8,743.96</b>	<b>-</b>



**HCC Power Limited****Notes to the financial statements for the year ended March 31, 2017**

(All amounts are in ` lakhs, unless stated otherwise)

**10 Financial risk management**

The companies activities exposes it to market risk, liquidity risk and credit risk.

This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, financial	Diversification of bank deposits,
Market risk — foreign exchange	-	-
Market risk — interest rate	Longterm borrowings at variable rate	Actively managed
Liquidity risk	Trade Payables, borrowings and	Availability of committed credit lines

The Company's risk management is carried out by a project finance team and treasury team group under policies approved by board of directors. Company treasury identifies, evaluates and hedges financial risk in close co-operation with the group's operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as , interest rate risk, and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

**(a) Credit Risk**

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost.

**(b) Market Risk - Interest rate risk**

The exposure of the Company's borrowing is linked to Bank base rate plus fixed spread ,base rate are subject to change in

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Variable rate borrowings	27,400.00	8,900.00	-
<b>Total borrowings</b>		<b>8,900.00</b>	

The Company has not entered into any interest rate swap agreement.

**(b) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

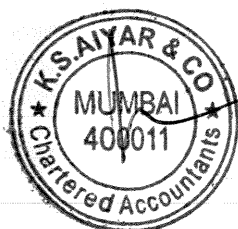
Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates.

**(i) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

**As At March-2017**

	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
<b>Non-derivatives</b>					
Borrowings	1,794.66	-	10,960.00	16,440.00	29,194.66
Other Financials liabilities	292.80	-	-	-	292.80
Trade and other payables	0.11	-	-	-	0.11
Other Current liabilities	3.25	-	-	-	3.25
<b>Total non-derivatives</b>	<b>2,090.81</b>	<b>-</b>	<b>10,960.00</b>	<b>16,440.00</b>	<b>29,490.81</b>
<b>Derivatives (N.A)</b>					
	<b>2,090.81</b>	<b>-</b>	<b>10,960.00</b>	<b>16,440.00</b>	<b>29,490.81</b>

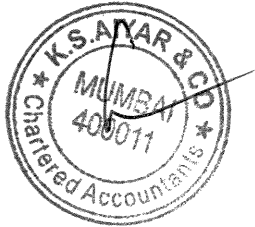


**As At March-2016**

	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
<b>Non-derivatives</b>					
Borrowings	-	-	3,560.00	5,340.00	8,900
Other Financials liabilities	59.99	-	-	-	59.99
Trade and other payables	0.01	-	-	-	0.01
Other Current liabilities	0.05	-	-	-	0.05
Total non-derivatives	<b>60.04</b>	-	<b>3,560.00</b>	<b>5,340.00</b>	<b>8,960.04</b>
<b>Derivatives (N.A)</b>					
	-	-	-	-	-
	<b>60.04</b>	-	<b>3,560.00</b>	<b>5,340.00</b>	<b>8,960.04</b>

**As At April-2015**

	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
<b>Non-derivatives</b>					
Borrowings	-	-	-	-	-
Other Financials liabilities	-	-	-	-	-
Trade and other payables	0.05	-	-	-	0.05
Other Current liabilities	0.05	-	-	-	0.05
Total non-derivatives	<b>0.09</b>	-	-	-	<b>0.09</b>
<b>Derivatives (N.A)</b>					
	-	-	-	-	-
	<b>0.09</b>	-	-	-	<b>0.09</b>





HCC Power Limited  
Notes to the financial statements for the year ended March 31, 2017  
(All amounts are in ₹ lakhs, unless stated otherwise)

11 Equity share capital

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Authorised</b>			
1,000,000 [31st March, 2016: 1,000,000 and 1st April, 2015: 1,000,000] Equity Shares of Rs 10 each	100.00	100.00	100.00
<b>Issued, subscribed and fully paid up</b>			
500,000 [31st March, 2016: 500,000 and 1st April, 2015: 500,000] Equity Shares of Rs 10 each	50.00	50.00	50.00
	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>

a) Reconciliation of number of shares

	No of Shares	Amount
<b>Equity Shares :</b>		
Balance as at the 1 April 2015	500,000	50.00
Add: Issued during the year	-	-
<b>Balance as at the 31 March 2016</b>	<b>500,000</b>	<b>50.00</b>
Add: Issued during the year	-	-
<b>Balance as at the 31 March 2017</b>	<b>500,000</b>	<b>50.00</b>

b) Rights, preferences and restrictions attached to shares

**Equity shares:** The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of equity shares held by holding / ultimate holding company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No of shares	% of Shareholding	No of shares	% of Shareholding	No of shares	% of Shareholding
Equity shares of Rs 10/- each fully paid						
HCC Infrastructure Company Limited	500000	100%	500000	100%	500000	100%

12 Reserves and surplus

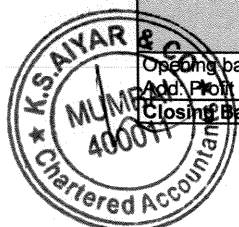
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserve	411.72	-	-
Retained Earnings	(206.33)	(51.52)	(46.62)
<b>Total reserves and surplus</b>	<b>205.40</b>	<b>(51.52)</b>	<b>(46.62)</b>

(i) Capital reserve\*

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening balance	-	-	-
Capital Contribution (corporate guarantee)	(411.72)	-	-
Less: Transferred to general reserve	-	-	-
<b>Closing Balance</b>	<b>(411.72)</b>	<b>-</b>	<b>-</b>

(vi) Surplus in the Consolidated Statement of Profit and Loss

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening balance	(51.52)	(46.62)	(46.62)
Add: Profit for the year	(154.80)	(4.90)	-
<b>Closing Balance</b>	<b>(206.33)</b>	<b>(51.52)</b>	<b>(46.62)</b>



HCC Power Limited

Notes to the financial statements for the year ended March 31, 2017

(All amounts are in ₹ lakhs, unless stated otherwise)

13a Non Current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured</b>			
<b>Term loans</b>			
From banks			
Rupee Loan	27,400.00	8,900.00	-
<b>Total</b>	<b>27,400.00</b>	<b>8,900.00</b>	<b>-</b>
<b>Total non current borrowings</b>	<b>27,400.00</b>	<b>8,900.00</b>	<b>-</b>

i) Current rate of Interest is 11.25% p.a.

ii) First Pari passu charge on all assets of the Borrower

iii) Extension of Pledge of Shares HCC Infrastructure Company Limited (HICL) in HCC Concessions Limited already pledged with YBL for the HCC Infrastructure Company Limited

iv) Unconditional and irrevocable Guarantee from HCC Infrastructure Company Limited

v) Unconditional and irrevocable Guarantee from HCC Limited

vi) Extension of the second pari passu charge over entire assets of HCC Infrastructure Limited

Terms of repayment : Term loans are repayable in 20 consecutive quarterly instalments commencing from the third year of the loan as set forth in sanction letter dated 10.12.2015.

13b Current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured</b>			
From Related Parties			
Inter Corporate deposit	1,794.66	-	-
<b>Unsecured - total</b>	<b>1,794.66</b>	<b>-</b>	<b>-</b>
<b>Total current borrowings</b>	<b>1,794.66</b>	<b>-</b>	<b>-</b>

14 Other financial liabilities

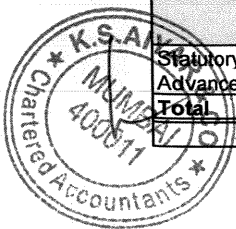
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Interest accrued and due on borrowings (ICD)	51.98	-	-
Interest Accrued and not due(Term loan)	240.82	59.99	-
Payables to related party	-	-	0.02
Other payables	0.11	0.01	0.02
<b>Total</b>	<b>292.91</b>	<b>60.00</b>	<b>0.05</b>

15 Provisions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Provisions for Expenses	0.81	0.50	0.49
<b>Total</b>	<b>0.81</b>	<b>0.50</b>	<b>0.49</b>

16 Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Dues	3.25	0.05	0.05
Advance from Customers	-	-	-
<b>Total</b>	<b>3.25</b>	<b>0.05</b>	<b>0.05</b>



**HCC Power Limited**  
**Notes to the financial statements for the year ended March 31, 2017**  
(All amounts are in ₹ lakhs, unless stated otherwise)

**17 Other Income**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	1,748.05	130.33
<b>Total</b>	<b>1,748.05</b>	<b>130.33</b>

**18 Finance costs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expense on Term Loans	1,782.58	134.25
Interest expense on ICDs	57.76	-
Amortisation of Corporate Guarantee	57.94	-
<b>Total</b>	<b>1,898.28</b>	<b>134.25</b>

**19 Depreciation and amortization expense**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation on Property, Plant and Equipment	0.14	0.14
Amortization on Intangible assets	-	-
<b>Total</b>	<b>0.14</b>	<b>0.14</b>

**20 Other expenses**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	-	0.04
Rates & Taxes	0.03	0.03
Legal, Professional and Consultancy Charges	3.42	0.13
Miscellaneous Expenses	0.98	0.64
<b>Total</b>	<b>4.43</b>	<b>0.83</b>
<b>Details of payment to auditors</b>		
Statutory Audit fees	0.55	0.54
Tax audit fees	-	-
Others	0.35	-
Fees for other audit related services	-	-
Fees for certification	-	-
Reimbursement of out-of-pocket expenses	-	-
<b>Total payments to auditors</b>	<b>0.89</b>	<b>0.54</b>

**21 Earning per share**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>The following reflects the profit and share data used in the basic(diluted not applicable) EPS computations:</b>		
Total operations for the quarter		
Loss for the period	(154.80)	(4.90)
Number of equity shares in calculating basic EPS	5.00	5.00
Basic EPS	(30.96)	(0.98)



HCC Power Limited  
Notes to the financial statements for the year ended 31st March, 2017  
(All amounts are in ₹ lakhs, unless stated otherwise)

22 - Fair value measurements

(a) Significance of financial instruments

Classification of financial instruments

	As at 31st March, 2017	As at 31st March, 2016	As at 1 April, 2015
<b>Financial assets</b>			
<b>At amortised Cost</b>			
Investments	5.00	5.00	-
Inter corporate deposit	27,250.46	8,743.96	-
Interest receivable on ICDs	1,871.10	129.40	-
Corporate guarantee	353.78	-	-
Cash and Cash equivalent	259.79	79.01	3.10
<b>Total financial assets</b>	<b>29,740.13</b>	<b>8,957.37</b>	<b>3.10</b>
<b>Financial liabilities</b>			
<b>At amortised Cost</b>			
Bank Borrowings	27,400.00	8,900.00	-
Inter corporate deposit	1,794.66	-	-
Interest on ICDs	51.98	-	-
Interest on Term loans	240.82	59.99	-
Payable to related party	-	-	0.02
Others payable	0.11	0.01	0.03
<b>Total financial liabilities</b>	<b>29487.56</b>	<b>8960.00</b>	<b>0.05</b>

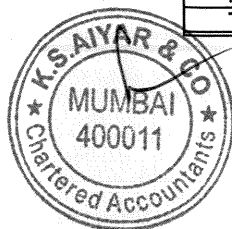
23 - Fair value Hierarchy

(a) Fair value hierarchy - Recurring fair value measurements

	As at 31st March, 2017	As at 31st March, 2016	As at 1 April, 2015
<b>Financial assets</b>			
<b>At Fair value through profit &amp; loss</b>			
<b>Level 1</b>			
Mutual fund Investments	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>

(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31st March, 2017	As at 31st March, 2016	As at 1 April, 2015
<b>Financial assets</b>			
<b>Level 3</b>			
Corporate guarantee	353.78	-	-
<b>Total financial assets</b>	<b>353.78</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>			
<b>Level 3</b>			
Loans	27,400.00	8,900.00	-
ICDs	1,794.66	-	-
<b>Total financial liabilities</b>	<b>29194.66</b>	<b>8900.00</b>	<b>0.00</b>



**Recognised fair value measurements**

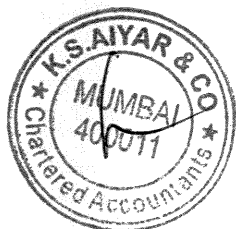
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for borrowings, Preference shares included in level 3

**(c) Fair value of financial assets and liabilities measured at amortised cost**

	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
<b>Financial assets</b>			
<b>Carrying value of financial assets at amortised cost</b>			
Corporate guarantee	353.78	-	-
<b>Total Financial assets at amortised cost</b>	<b>353.78</b>	<b>-</b>	<b>-</b>
<b>Fair value of financial assets carried at amortised cost</b>			
Corporate guarantee	-	-	-
<b>Total Fair value of financial assets at amortised cost</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>			
<b>Carrying value of financial liabilities at amortised cost</b>			
Bank borrowings	27,400.00	8,900.00	-
ICDs	1,794.66	-	-
	<b>29,194.66</b>	<b>8,900.00</b>	<b>-</b>
<b>Fair value of financial liabilities carried at amortised cost</b>			
Bank borrowings	-	-	-
ICDs	-	-	-
Corporate guarantee	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
The carrying value amounts of loans, inter corporate deposit, interest receivable on ICDs, share application money, fixed deposits, interest accrued on deposits, cash and cash equivalents, trade receivable, bank borrowings, interest accrued but not due, corporate guarantee, payable to related party, dues to employees and other payable approximate their fair value due to their short term nature.			
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.			



**HCC Power Limited****Notes to the financial statements for the year ended March 31, 2017**

(All amounts are in ₹ lakhs, unless stated otherwise)

**24 Transactions with Related Parties:****(a) Name of Related Party with which the Company has transactions during the period and Nature of Relationship****Nature of relationship and name of related party Holding company**

HCC Infrastructure Company Ltd.

**Ultimate holding company**

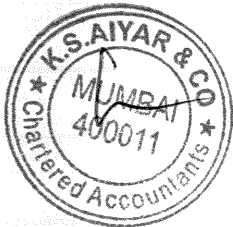
Hindustan Construction Company Limited

**Fellow subsidiaries:**

HCC Operation and Maintenance Ltd.

HCC Concessions Ltd.

<b>Nature of Transactions</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Receiving of Services / Interest expense</b> HCC Infrastructure Company Ltd.	57.76	-	-
<b>Financial Assets for Corporate Guarantee Taken</b> HCC Infrastructure Company Ltd.	353.78	-	-
<b>Commission on Corporate Guarantee</b> HCC Infrastructure Company Ltd.	57.94	-	-
<b>Financial Income</b> HCC Energy Ltd	1,748.02	130.33	-
<b>Inter Corporate Deposit given during year</b> HCC Energy Ltd	18,506.50	8,743.96	-
<b>Inter Corporate Deposit taken during year</b> HCC Infrastructure Company Ltd.	1,794.66	-	-
<b>Interest Payables</b> HCC Infrastructure Company Ltd.	51.98	-	-
<b>Interest Receivable</b> HCC Energy Ltd	1,871.10	129.40	-
<b>Inter Corporate Deposit Give as on date</b> HCC Energy Ltd	27,250.46	8,743.96	-
<b>Inter Corporate Deposit Taken as on date</b> HCC Infrastructure Company Ltd.	1,794.66	-	-
<b>Investment in Share capital</b> HCC Energy Ltd	5.00	5.00	-
<b>Capital Equity Contribution (Corporate Gaurantee)</b> HCC Infrastructure Company Ltd.	411.72	-	-
<b>Contribution in Share Capital till date</b> HCC Infrastructure Company Ltd.	50.00	50.00	50.00



**HCC Power Limited**  
**Notes to the financial statements for the year ended March 31, 2017**  
(All amounts are in ₹ lakhs, unless stated otherwise)

**25 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

The enterprises dealing with company are not providing details about their coverage under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, Hence, reporting details of Principal and Interest are not available.

**26 Previous years figures**

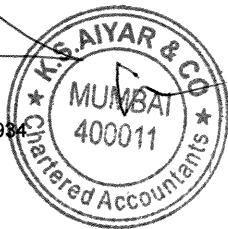

Figure for the previous year have been regrouped/recasted where ever necessary

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

As per our report of even date attached  
**For K.S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No. 100186W



Satish Kelkar  
Partner  
Membership No.:38934

  
Perwez Alam  
Director  
Mahesh Sitaram Gaikwad  
Director

Place: Mumbai  
Date:

12 55 APRR 2017

Place: Mumbai  
Date:

25 APR 2017

