

## INDEPENDENT AUDITOR'S REPORT

To the Members of BSES Kerala Power Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **BSES Kerala Power limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note 33 to the financial statements, wherein as explained, the Power Purchase Agreement (PPA) with Kerala State Electricity Board Limited (KSEBL) expired on October 31, 2015 and Government of Kerala has given its in-principle approval for extension of term of PPA for further two years. Pending finalisation of terms of PPA, no income has been accrued subsequent to October 31, 2015.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, we give our separate Report in "Annexure 2".
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 on Contingent Liabilities
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner

Membership No. 122071

Mumbai: May 19, 2016

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of BSES Kerala Power Limited on the financial statements for the year ended March 31, 2016]

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanation given to us, the title deeds of immovable properties other than self-constructed properties recorded as fixed assets in the books of account of the Company as on March 31, 2016 are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186[except for sub-section(1)] are not applicable to it.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii)
- (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Wealth Tax Act, 1957	Wealth Tax	2.55	A.Y. 2006-07	Commissioner of Appeals - Wealth Tax

In respect of above demand, amount of Rs. 2.42 lakhs has been paid under protest.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holder.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is 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 entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of related party transactions as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 have been disclosed in the financial statements.
- (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. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

# HARIBHAKTI & CO. LLP

Chartered Accountants

- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner

Membership No. 122071

Mumbai : May 19, 2016

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **BSES Kerala Power Limited** on the financial statements for the year ended March 31, 2016]

**Report on the Internal Financial Controls over Financial Reporting 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 **BSES Kerala Power Limited** ("the Company") as of March 31, 2016 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 judgement, 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 March 31, 2016, 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 ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Bhavik L. Shah

Partner

Membership No. 122071

Mumbai:May 19, 2016



BSES KERALA POWER LIMITED  
Balance Sheet As at 31 March, 2016

Rs in Lakhs

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	3	12,776.00	12,776.00
	(b) Reserves and surplus	4	40,145.09	40,405.59
	<b>Sub Total</b>		<b>52,921.09</b>	<b>53,181.59</b>
2	<b>Non-current liabilities</b>			
	(a) Long-term provisions	5	57.98	59.16
	<b>Sub Total</b>		<b>57.98</b>	<b>59.16</b>
3	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	-	129.43
	(b) Trade payables Due to Micro and Small Enterprises Rs. Nil (Previous Year: Rs. Nil) Due to others Rs. 263.48 Lakhs (Previous Year: Rs. 183.58 Lakhs)	7	263.48	183.58
	(c) Other current liabilities	8	164.94	151.63
	(d) Short-term provisions	9	46.22	787.44
	<b>Sub Total</b>		<b>474.64</b>	<b>1,252.08</b>
	<b>TOTAL</b>		<b>53,453.71</b>	<b>54,492.83</b>
II.	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets	10		
	(i) Tangible assets		32,518.02	35,105.44
	(ii) Intangible assets		15.03	1.32
	(iii) Capital work-in-progress		-	15.86
	(b) Non-current investments	11	-	-
	(c) Deferred tax assets (net)	32	113.50	255.04
	(d) Other non-current assets	12	2.88	1.54
	<b>Sub Total</b>		<b>32,649.43</b>	<b>35,379.20</b>
2	<b>Current assets</b>			
	(a) Current investments	13	2,446.17	605.00
	(b) Inventories	14	5,854.27	6,564.39
	(c) Trade receivables	15	946.19	1,433.72
	(d) Cash and Bank Balances	16	529.22	889.71
	(e) Short-term loans and advances	17	10,043.72	9,479.30
	(f) Other current assets	18	984.71	141.51
	<b>Sub Total</b>		<b>20,804.28</b>	<b>19,113.63</b>
	<b>TOTAL</b>		<b>53,453.71</b>	<b>54,492.83</b>

Notes forming part of accounts annexed

1 - 40

As per our attached Report of even date

For and on behalf of the Board of Directors

For HARIBHAKTI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W

Robin Sebastian Whole Time Director

Santa Gupta Director

Bhavik L. Shah  
Partner  
Membership No. 122071

T.P.Sasidharan CFO & Company Secretary

Place: Mumbai  
Date: May 19, 2016

Place: Mumbai  
Date: May 19, 2016

**BSES KERALA POWER LIMITED**

Statement of Profit and Loss for the year ended 31 March 2016

Rs in Lakhs

Particulars		Note No.	for the year ended 31 March 2016	for the year ended 31 March 2015
I	Revenue from operations	19	4,959.65	30,462.11
II	Other income	20	1,180.39	933.48
III	<b>Total Revenue (I + II)</b>		<b>6,140.04</b>	<b>31,395.59</b>
IV	Expenses:			
	(a) Cost of Fuel consumed		710.18	18,862.90
	(b) Cost of Stores & Spares and consumables consumed		184.68	228.38
	(c) Employee benefits expense	22	594.50	549.58
	(d) Finance costs	21	47.09	228.84
	(e) Depreciation and amortization expense (including Depreciation on Revaluation of Rs.2,263.75 Lakhs(Previous Year: Rs.3,005.53 Lakhs))	10	2,536.71	3,627.44
	(f) Other expenses	23	1,541.94	3,118.84
	<b>Total expenses</b>		<b>5,615.10</b>	<b>26,615.98</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>524.94</b>	<b>4,779.61</b>
VI	Exceptional items		-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>524.94</b>	<b>4,779.61</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit before tax (VII- VIII)</b>		<b>524.94</b>	<b>4,779.61</b>
X	Tax expense:			
	(1) Current tax		800.43	1,652.00
	(2) MAT Credit Utilised		-205.28	-
	(3) Deferred tax charge / (credit)	32	141.54	(235.81)
XI	<b>Profit / (Loss) for the year (IX-X)</b>		<b>-211.75</b>	<b>3,363.42</b>
XII	Earnings per equity share (Face value of Rs.10/- per share) :	24		
	(1) Basic (in Rs.)		-0.17	2.63
	(2) Diluted (in Rs.)		-0.17	2.63
Notes forming part of accounts annexed		1 - 40		

As per our attached Report of even date

For and on behalf of the Board of Directors

**For HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

**Bhavik L. Shah**

Partner

Membership No. 122071

Place: Mumbai

Date: May 19, 2016

**Robin Sebastian**, Whole Time Director

**Santa Gupta**, Director

**T.P.Sasidharan**, CFO & Company Secretary

Place: Mumbai

Date: May 19, 2016

**1 Corporate information**

BSES Kerala Power Limited (BKPL) was incorporated on 4th April 1996 with registered office in Kochi, Kerala. The Company is engaged in Electricity Generation and has a Power Purchase Agreement (PPA) with Kerala State Electricity Board Limited (KSEBL) which expired on October 31, 2015 and Government of Kerala has given in-principle approval for extension of PPA for 2 years w.e.f. November 01, 2015. The entire shares of BKPL is owned by Reliance Infrastructure Limited.

**2 Significant accounting policies****2.1 Basis of accounting and preparation of financial statements**

The financial statements have been prepared to comply in all material respects with the prescribed accounting standards under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act to the extent notified. The financial statements have been prepared under the historical cost convention (except for certain fixed assets which are carried at revalued amount) on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2.2 Revenue Recognition Policy**

a) Sale of Electricity: Revenue from sale of power is accounted for on the basis of billing to Kerala State Electricity Board Limited (KSEBL) on the basis of recording of supply of energy by installed meters. Sale value includes both variable charges (fuel cost) and fixed charges. Fixed charges also include fixed charge on account of "deemed generation" as provided in the Power Purchase Agreement (PPA) with the bulk customer i.e. KSEBL.

b) Others: Insurance and other claims, including interest, are recognized as revenue on certainty of receipt on prudent basis.

**2.3 Foreign Currency Transactions**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the Statement of Profit and Loss. Exchange differences arising on repayment/restatement of liabilities incurred prior to 01.04.2004 for the purpose of acquiring fixed assets are adjusted with the carrying amount of the respective fixed assets.

**2.4 Fixed Assets**

The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use or amount substituted for cost on revaluation.

All pre-operative expenditure and trial run expenditure are (net of income) accumulated as capital work-in-progress and is allocated to the relevant fixed assets on a pro-rata basis depending on the prime cost of the assets.

**2.5 Depreciation:**

Fixed assets are depreciated under the 'Straight line method' at the rates and in the manner prescribed under Central Electricity Regulatory Commission (CERC) notification except where the management estimate of useful life of the asset is shorter than that envisaged under CERC. The list of such assets is as follows:

<u>Name of the Asset</u>	<u>Rate per annum (%)</u>
Building	Over the lease period (Refer Note 34)
Office Equipment	12.77
Air conditioners	33.40
Vehicles	33.40
Furniture & Fixtures	12.77

Depreciation on additions/deletions of assets is provided on pro-rata basis. Depreciation on revalued assets is charged over the balance residual life of the assets. The difference between depreciation on revalued amount and that calculated on original cost of assets revalued is transferred from revaluation reserve to general reserve.

Intangible assets comprising computer software are amortised over a period of 3 years.

**2.6 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are recognized at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**Note 2 Significant accounting policies (contd.)**

**2.7 Inventories**

Inventories are stated at lower of cost or net realizable value. In case of fuel, stores and spares "Cost" means weighted average cost. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**2.8 Employee Benefits**

Contributions to defined contribution schemes such as Provident Fund, Superannuation etc. are charged to the Statement of Profit and Loss as incurred. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Statement of Profit and Loss based on valuations, as at the balance sheet date, made by independent actuaries.

**2.9 Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**2.10 Accounting for Taxes on Income**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

**2.11 MAT Credit**

Minimum Alternate Tax (MAT) credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified year.

**2.12 Provisions**

Provisions are recognised when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

**2.13 Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

**2.14 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**2.15 Contingent Liabilities:**

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

**2.16 Operating Cycle:**

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Act.

**2.17 Figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable to those for the current year. Figures in bracket indicate Previous Year's figures.**

3 Share Capital

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Rs in Lakhs	Number	Rs in Lakhs
<b>Authorised</b>				
14,50,00,000 Equity Shares of ₹ 10 each	145,000,000	14,500.00	145,000,000	14,500.00
<b>Issued</b>				
12,77,60,000 Equity Shares of ₹ 10 each	127,760,000	12,776.00	127,760,000	12,776.00
<b>Subscribed &amp; Paid up</b>				
12,77,60,000 Equity Shares of ₹ 10 each fully paid	127,760,000	12,776.00	127,760,000	12,776.00
<b>Total</b>	<b>127,760,000</b>	<b>12,776.00</b>	<b>127,760,000</b>	<b>12,776.00</b>

3 (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares		Equity Shares	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	127,760,000	12,776.00	127,760,000	12,776.00
Shares outstanding at the end of the year	127,760,000	12,776.00	127,760,000	12,776.00

3 (b) Shares held by Holding Company and shareholders holding more than 5 % shares in the Company

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Reliance Infrastructure Limited - Holding Company	127,760,000	100.00	127,760,000	100.00

3(c) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

3(d) The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of per share dividend recognised as distributions to equity shareholders was Nil (Nil)

3(e) During the year, the Company has filed a petition for capital reduction before the Hon'ble High Court of Kerala for seeking its sanction to reduce Rs.6700.00 lakhs from its the paid up share capital of Rs.12776.00 lakhs and to retain the paid up capital volume at Rs.6076 lakhs. The Hon'ble High Court of Kerala on March 18, 2016 ordered that the settlement of the list of creditors as envisaged in Sec.101(2)(b) of the Companies Act, 1956 shall stand dispensed with and the next hearing of the petition is fixed on May 20, 2016.

**4 Reserves and Surplus**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
<b>a. Surplus</b>		
Opening balance	6,654.71	3,291.29
(+) Net Profit/(Net Loss) for the current year	(211.75)	3,363.42
Closing Balance	6,442.96	6,654.71
<b>b. Revaluation reserve</b>		
Opening Balance	30,745.35	33,750.88
(+) Addition during the year	-	-
(-) Reversal on Disposal of Asset	48.75	-
(-) Credit to General Reserve	2,263.75	3,005.53
Closing Balance	28,432.85	30,745.35
<b>c. General reserve</b>		
Opening Balance	3,005.53	-
(+) Addition during the year (transfer from Revaluation reserve)	2,263.75	3,005.53
(-) Credit to P&L account	-	-
Closing Balance	5,269.28	3,005.53
<b>Total</b>	<b>40,145.09</b>	<b>40,405.59</b>

**5 Long Term Provisions**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Provision for employee benefits		
Leave Encashment (unfunded)	57.98	59.16
<b>Total</b>	<b>57.98</b>	<b>59.16</b>

**6 Short Term Borrowings**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
<b>Secured</b>		
Loans repayable on demand		
(a) Loan against fixed deposit receipts	-	129.43
<b>Total</b>	<b>-</b>	<b>129.43</b>

Working capital facilities from Banks are Secured by Hypothecation of Stocks and by First Charge on Book Debt, collateral security on fixed assets and Loan against Fixed Deposit Receipts is secured by Fixed Deposits.

## 7 Trade Payables

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Trade Payables (Refer Note 40)	263.48	183.58
<b>Total</b>	<b>263.48</b>	<b>183.58</b>

## 8 Other Current Liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Other payables		
Outstanding Liability for Expenses	8.12	27.14
Employee Payments	109.17	98.48
Statutory Payments	39.33	15.07
Short Term Security Deposits of vendors	8.32	10.94
<b>Total</b>	<b>164.94</b>	<b>151.63</b>

## 9 Short Term Provisions

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
a) Provision for employee benefits		
Leave Encashment (unfunded)	10.14	8.50
Superannuation (funded)	0.57	0.57
b) Others		
Provision for Income Tax [Net of advance Tax of Rs.4027.98Lakhs (previous year Rs.3,859.31 Lakhs) and MAT Credit Utilised of Rs.205.28 Lakhs (previous year Nil) ]	35.51	778.37
<b>Total</b>	<b>46.22</b>	<b>787.44</b>

10 Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at April 1, 2015	Additions	Adjustment/ Deduction	Balance as at March 31, 2016	Balance as at April 1, 2015	Normal Depreciation charge for the year	Depreciation charge for the year on account of revaluation [Refer Note 35]	Adjustments	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>(a) Tangible Assets</b>											
Land	5,960.23	-	51.00	5,909.23	-	-	-	-	-	5,909.23	5,960.23
Buildings	5,483.76	-	-	5,483.76	4,733.95	222.03	-	-	4,955.98	527.77	749.82
Plant and Equipment	82,018.90	0.22	-	82,019.12	53,649.05	45.94	2,263.75	-	55,958.74	26,060.38	28,369.85
Furniture and Fixtures	52.79	-	-	52.79	37.63	3.02	-	-	40.65	12.13	15.16
Vehicles	18.82	-	-	18.82	17.88	-	-	-	17.88	0.94	0.94
Office equipment	22.59	0.08	-	22.67	13.15	1.96	-	-	15.11	7.56	9.44
<b>Total</b>	<b>93,557.09</b>	<b>0.30</b>	<b>51.00</b>	<b>93,506.39</b>	<b>58,451.66</b>	<b>272.95</b>	<b>2,263.75</b>	<b>-</b>	<b>60,988.36</b>	<b>32,518.02</b>	<b>35,105.44</b>
<b>(b) Intangible Assets</b>											
Computer software	26.41	13.72	-	40.13	25.09	0.01	-	-	25.10	15.03	1.32
<b>Total</b>	<b>26.41</b>	<b>13.72</b>	<b>-</b>	<b>40.13</b>	<b>25.09</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>25.10</b>	<b>15.03</b>	<b>1.32</b>
<b>(c) Capital Work in Progress</b>											
	-	-	-	-	-	-	-	-	-	-	15.86
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.86</b>
<b>Grand Total</b>	<b>93,583.50</b>	<b>14.02</b>	<b>51.00</b>	<b>93,546.52</b>	<b>58,476.75</b>	<b>272.96</b>	<b>2,263.75</b>	<b>-</b>	<b>61,013.46</b>	<b>32,533.05</b>	<b>35,122.62</b>
Previous Year	93,579.05	4.45	-	93,583.50	54,849.31	621.91	3,005.53	-	58,476.75	35,122.62	

Note

1. Plant and Machinery and Building are erected on Lease hold land acquired at Nil cost.

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the year	Depreciation charge for the year on account of revaluation (Refer Note-35)	Adjustments	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31st March 2014
<b>(a) Tangible Assets</b>											
Land - Freehold	5,960.23	-	-	5,960.23	-	-	-	-	-	5,960.23	5,960.23
Buildings	5,483.76	-	-	5,483.76	3,431.63	560.53	741.79	-	4,733.95	749.82	2,052.13
Plant and Equipment	82,016.69	2.21	-	82,018.90	51,329.49	55.82	2,263.74	-	53,649.05	28,369.85	30,687.20
Furniture and Fixtures	52.79	-	-	52.79	34.11	3.52	-	-	37.63	15.16	18.68
Vehicles	18.82	-	-	18.82	17.88	-	-	-	17.88	0.94	0.94
Office equipment	20.35	2.24	-	22.59	11.39	1.76	-	-	13.15	9.44	8.96
<b>Total</b>	<b>93,552.64</b>	<b>4.45</b>	<b>-</b>	<b>93,557.09</b>	<b>54,824.50</b>	<b>621.63</b>	<b>3,005.53</b>	<b>-</b>	<b>58,451.66</b>	<b>35,105.44</b>	<b>38,728.13</b>
<b>(b) Intangible Assets</b>											
Computer software	26.41	-	-	26.41	24.81	0.28	-	-	25.09	1.32	1.60
<b>Total</b>	<b>26.41</b>	<b>-</b>	<b>-</b>	<b>26.41</b>	<b>24.81</b>	<b>0.28</b>	<b>-</b>	<b>-</b>	<b>25.09</b>	<b>1.32</b>	<b>1.60</b>
<b>(c) Capital Work in Progress</b>											
	-	-	-	-	-	-	-	-	-	15.86	6.96
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.86</b>	<b>6.96</b>
<b>Grand Total</b>	<b>93,579.05</b>	<b>4.45</b>	<b>-</b>	<b>93,583.50</b>	<b>54,849.31</b>	<b>621.91</b>	<b>3,005.53</b>	<b>-</b>	<b>58,476.75</b>	<b>35,122.62</b>	<b>38,736.69</b>



11 Non current Investments (Non-Trade)

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Investment in equity shares	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>
Less : Provision for diminution in the value of Investments	0.03	0.03
<b>Total</b>	<b>-</b>	<b>-</b>

Details of Non Current Investments

Name of the Body Corporate	No. of Shares / Units		Rs in Lakhs		Basis of Valuation
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	
<b>Investments in Equity shares</b>					
(i) North Eastern Electricity Supply Company of Odisha Limited 100 (100) Equity Shares of Rs.10 each fully paid up	100.00	100.00	0.01	0.01	Provision for diminution in value created for full amount
ii) Western Electricity Supply Company of Odisha Limited 100 (100) Equity Shares of Rs. 10 each fully paid up	100.00	100.00	0.01	0.01	"
iii) Southern Electricity Supply Company of Odisha Limited 100 (100) Equity Shares of Rs. 10 each fully paid up	100.00	100.00	0.01	0.01	"
<b>Total</b>			<b>0.03</b>	<b>0.03</b>	

12 Other Non current assets

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Deposits	2.88	1.54
<b>Total</b>	<b>2.88</b>	<b>1.54</b>

13 Current Investments (Non-trade)

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Investments in Mutual Funds -Quoted	2,446.17	605.00
<b>Total</b>	<b>2,446.17</b>	<b>605.00</b>

Details of Current Investments

Name of the Body Corporate	No. of Shares / Units		Rs in Lakhs		Basis of Valuation
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	
<b>Investments in Reliance Mutual Funds</b>					
Reliance Floating Short Term Fund-Growth option (NAV as on 31.03.2016 is Rs.2025.59 lakhs and 31.03.2015 is Rs.610.41 lakhs )	7,163,070.117	2,329,255.474	1,880.00	605.00	Cost or market value whichever is lower
Reliance Money Manager Fund-Growth option (NAV as on 31.03.2016 is Rs. 589.45 lakhs and 31.03.2015 is Nil)	28,409.034		566.17		"

	Market Value		Book Value	
	Rs in Lakhs		Rs in Lakhs	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Aggregate value of Quoted Investments	2,615.04	610.41	2,446.17	605.00

Above Mutual fund investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.



14 Inventories

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(a) Raw Materials and components (Valued at Cost)				
Fuel		4,893.65		5,582.27
(b) Stores and spares (Valued at Cost)		960.62		982.12
<b>Total</b>		<b>5,854.27</b>		<b>6,564.39</b>

15 Trade Receivables

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Trade receivables outstanding for a period exceeding six months from the due date of payment				
Secured, considered good		580.92		
Trade receivables outstanding for a period less than six months from the date they are due for payment				
Secured, considered good		365.27		1,433.72
<b>Total</b>		<b>946.19</b>		<b>1,433.72</b>

Receivables are secured by Government of Kerala Guarantee.

16 Cash and Bank balances

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>Cash and Cash equivalents</b>				
(a) Balances with banks				
In current account	11.02		5.61	
In Deposit account with maturity less than 3 months	90.00		883.62	
(b) Cash on hand	0.20		0.48	
		101.22		889.71
<b>Other Bank Balances</b>				
Deposits with maturity more than 3 months but less than 12 months *		428.00		-
<b>Total</b>		<b>529.22</b>		<b>889.71</b>

\* The above fixed deposit is placed with Canara Bank towards bank guarantee given by it.

17 Short-term loans and advances

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Secured, considered good				
Advance to Employees		0.39		0.16
Unsecured, considered good				
Inter Company Deposits given	9,850.00		9,100.00	
Advance to Vendors	0.27		28.36	
Prepaid Expenses	0.26		350.78	
Other Short Term advance	0.80		-	
		10,043.33		9,479.14
<b>Total</b>		<b>10,043.72</b>		<b>9,479.30</b>

18 Other current assets

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Interest Accrued and due		818.95		
Interest Accrued but not due		165.76		
<b>Total</b>		<b>984.71</b>		<b>141.51</b>

## 19 Revenue from operations

Particulars	for the year ended 31 March 2016	for the year ended 31 March 2015
	Rs in Lakhs	Rs in Lakhs
a. Sale of Electricity (Refer Note 33)	4,910.50	26,620.27
b. Other Operating Income	49.15	3,841.84
<b>Total</b>	<b>4,959.65</b>	<b>30,462.11</b>

## 20 Other non-operating income

Particulars	for the year ended 31 March 2016	for the year ended 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Interest Income	985.11	605.81
Net gain/loss on sale of investments	50.17	311.50
Unclaimed liabilities written back	1.39	14.07
Exchange Fluctuation Income (Net)	3.09	-
Insurance Claim on Fixed Assets	140.10	-
Other non-operating income	0.53	2.10
<b>Total</b>	<b>1,180.39</b>	<b>933.48</b>

## 21 Finance Cost

Particulars	for the year ended 31 March 2016	for the year ended 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Interest expense on working capital and other borrowings	24.02	199.18
Other borrowing costs	23.07	29.66
<b>Total</b>	<b>47.09</b>	<b>228.84</b>

22 Employee Benefits Expense

Particulars	for the year ended 31 March 2016	for the year ended 31 March 2015
	Rs in Lakhs	Rs in Lakhs
(a) Salaries and incentives [Refer Note 39]	449.42	413.21
(b) Contributions to Provident Fund and other funds [Refer Note 39]	46.94	31.78
(c) Staff welfare expenses	98.14	104.59
<b>Total</b>	<b>594.50</b>	<b>549.58</b>

23 Other Expenses

Particulars	for the year ended 31 March 2016	for the year ended 31 March 2015
	Rs in Lakhs	Rs in Lakhs
Electricity charges	232.68	230.90
Prompt Payment Rebate (net)	78.33	255.95
Rent (Refer Note 34)	540.50	1,595.20
Repairs to buildings	0.01	-
Repairs to machinery	216.20	268.79
Insurance	155.71	140.44
Rates and taxes, excluding, taxes on income	3.77	147.91
Loss on Sale of assets	2.25	-
Expenditure incurred on CWIP written off	15.86	-
Miscellaneous expenses including payments to auditor	296.63	478.96
Exchange Fluctuation Loss	-	0.69
<b>Total</b>	<b>1,541.94</b>	<b>3,118.84</b>

24 Earnings Per Equity Share

Particulars	for the year ended 31 March 2016	for the year ended 31 March 2015
Net Profit / (Loss) after taxation (Rs in Lakhs)	-211.75	3,363.42
Nominal Value of equity shares (in Rs.)	10.00	10.00
No of Equity shares	127,760,000	127,760,000
Basic earnings per share (Net Profit or (Loss) / No of equity shares (Rs.))	-0.17	2.63
Diluted earnings per share (Rs.)	-0.17	2.63

25 Details of payments to the auditor (including Service Tax)

Particulars	for the year ended 31 March 2016	for the year ended 31 March 2015
	Rs in Lakhs	Rs in Lakhs
(a) As auditor	6.52	8.43
(b) for reimbursement of expenses	0.03	0.02
<b>Total</b>	<b>6.55</b>	<b>8.45</b>

26 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs in Lakhs	Rs in Lakhs
<b>(i) Contingent Liabilities</b>		
(a) Guarantees / Counter guarantees	428.00	428.00
(b) Wealth tax claim	2.55	2.55
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
<b>Total</b>	<b>430.55</b>	<b>430.55</b>

During the year, the Company has created charge on immovable assets comprising of leasehold land and the moveable fixed assets including plant and machinery, machinery spares, tools and accessories and other moveables both present and future (but save and except current assets and book debts) in favour of : (i). M/s. J & K Bank, Mumbai for Rs.150 crore (Nil) and (ii). M/s.Karnataka Bank Limited, Mumbai for Rs.50 crore (Nil) for the loans availed by the Holding company (M/s. Reliance Infrastructure Limited, Mumbai).

27 C.I.F Value of Imports

Rs in Lakhs

Particulars	2015-16	2014-15
(i) Components and Spare parts	76.68	108.93
(ii) Capital Goods	-	-
<b>Total</b>	<b>76.68</b>	<b>108.93</b>

28 Expenditure in Foreign Currency:

Rs in Lakhs

Particulars	2015-16	2014-15
(i) Interest	-	-
(ii) Repair & Maintenance	42.74	78.42
(iii) Foreign Travel & Training fee	-	-
<b>Total</b>	<b>42.74</b>	<b>78.42</b>

Earnings in Foreign Currency

Particulars	2015-16	2014-15
	Nil	Nil

29 (a) Details of fuel Consumption

Particulars	2015-16	2014-15
	Rs in Lakhs	Rs in Lakhs
Naphtha	687.38	18,818.60
HSD	22.80	44.30
<b>Total</b>	<b>710.18</b>	<b>18,862.90</b>

29 (b) Value of components, stores and spare parts consumed: (including fuel consumed)

Particulars	2015-16		2014-15	
	Rs in Lakhs	% to Total Consumption	Rs in Lakhs	% to Total Consumption
Imported	61.06	6.82%	79.85	0.42%
Indigenous	833.80	93.18%	19,011.44	99.58%
<b>Total</b>	<b>894.86</b>	<b>100.00%</b>	<b>19,091.28</b>	<b>100.00%</b>

30 Particulars of derivative instruments:

- No derivative instruments are acquired for hedging purposes
- No derivative instruments are acquired for speculation purposes
- Foreign currency exposures that are not hedged by derivative instrument or otherwise payable of Rs. 30.93 lakhs ( P.Y. Nil )

31 Expenditure related to Corporate Social Responsibility as per Section 135 of the Act, read with Schedule VII thereof is Rs. 18.24 lakhs (P.Y. Rs.22.39 lakhs).

### 32 Deferred Tax

As per the requirement of the Accounting Standard 22 "Accounting for Taxes on Income" as prescribed under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rule, 2014, the net deferred tax asset of Rs. 113.50 lakhs as on 31.03.2016 have been recognized in the accounts. The details thereof are as under:

Particulars	As on March 31, 2015	For the year 2015- 16	As on March 31, 2016
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>Deferred tax assets</b>			
Provision for leave encashment	23.42	0.16	23.57
Difference between depreciation on block of assets	231.62	(141.69)	89.93
<b>Total</b>	<b>255.04</b>	<b>-141.54</b>	<b>113.50</b>
<b>Net deferred tax asset</b>	<b>255.04</b>	<b>-141.54</b>	<b>113.50</b>

33 The Power Purchase agreement entered into on May 3, 1999 with KSEBL has completed its 15 year term on October 31, 2015. Govt. of Kerala vide its order G.O.(MS).No.03/2016/PD Dated, 24.02.2016 accorded its in-principle approval for extending the term of the PPA for a further period of two (2) more years with effect from 01.11.2015. Draft PPA alongwith the points of disagreement between KSEBL and the Company has been submitted by KSEBL to KSERC on April 26, 2016. Pending finalisation of terms of PPA by KSERC, no Income has been accrued by the Company subsequent to October 31, 2015.

### 34 Land Lease Agreement

The plant Building has been constructed on plot of land which has been leased to the Company for a period of 15 years and which has expired on 31st March 2012. The Lease Agreement provides for extension of the lease period as per mutual agreement between Lessor (TCCL) & the Company on the order of the Government of Kerala. This issue was considered by Govt. of Kerala and in the meeting convened by Additional Chief Secretary (Industries), GoK on 18th December, 2012, the matter was discussed and it was decided the land lease agreement between the Company and TCCL is to be extended upto October 2015, i.e. till the expiry of the present PPA. GoK vide its order dated 4th October, 2014 granted further permission to extend the lease agreement period upto 31st October, 2030 for the purpose of generation and supply of power to KSEBL. However, as explained in Note 33, pending renewal of PPA from KSEBL, the Company continues to depreciate building at higher rate within the validity of existing PPA upto October 31, 2015.

### 35 Revaluation of fixed assets

Based on the valuation made by approved valuer, the Company revalued its freehold land, building and plant & machinery with effect from April 01, 2013 as per the replacement cost method and incremental value on revaluation amounting to Rs.36,756.41 lakhs has been added to Gross Block of Fixed assets and credited to Revaluation Reserve. Consequent to revaluation, the additional charge of depreciation on revalued portion of assets amounts to Rs.2,263.75 lakhs.

Pursuant to Application guide on the provisions of Schedule II to the Companies Act, 2013, the depreciation provided on revalued portion of fixed assets was debited to Statement of Profit and Loss and the corresponding amount is withdrawn from Revaluation Reserve and credited to General Reserve and not into Statement of Profit and Loss.

### 36 Hot Section Replacement (HSIR)

As per technical specifications, each of the three Gas Turbines needs Hot Section Inspection and Replacement (HSIR), after completion of every 12500 fired hours on liquid fuel. Such hours for each Gas Turbine depend on the plant load factor. This is based on KSEBL demand, which is highly unpredictable. Further, such technical specifications could also undergo major changes after the proposed changeover of fuel from liquid fuel to gas. In view of such uncertainties, the expenses on each HSIR are accounted for as and when incurred. (FY 2015-16, Nil and FY 2014-15, Nil)

### 37 Segment Reporting: Basis of Preparation

The Company has only one business segment and one geographical segment viz. Generation and Sale of Energy in Kerala State. In view of this, no further disclosures are required to be given in accordance with Accounting Standard - 17 "Segment Reporting".

### 38 Related Party:

As per Accounting Standard-18 "Related Party Disclosures", the Company's related parties and transactions are disclosed below:

Holding Company : Reliance Infrastructure Limited

Key Managerial Personnel: Robin Sebastian, Whole Time Director

T.P.Sasidharan, CFO and Company Secretary

Details of transactions during the year with related parties;

Description	For the year 2015- 16	For the year 2014- 15
	Rs in Lakhs	Rs in Lakhs
<b>A) Transactions during the year - Holding Company</b>		
1) Recoverable expenses incurred on our behalf by:	15.12	19.03
2) Recoverable expenses incurred for:	0.28	-
3) Rent Income	-	0.90
<b>By Closing Balance</b>		
1) Equity Capital held	12,776.00	12,776.00
<b>C) Remuneration to Key Managerial Personnel</b>		
- Robin Sebastian	26.00	22.71
- T.P. Sasidharan	39.77	34.73
<b>D) Amount Payable to Key Managerial Personnel</b>		
- Robin Sebastian	6.50	1.34
- T.P. Sasidharan	9.84	6.82

39 AS 15 "Employee benefits" disclosure

(i) Defined contribution plans

- a. Provident fund
- b. Superannuation fund
- c. State defined contribution plans
  - Employers' Contribution to Employees' State Insurance
  - Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner, the superannuation fund is administered by the Trustees of the BSES Kerala Power Limited Officers' Superannuation Scheme Trust and the Gratuity fund is administered by the Trustees of the BSES Kerala Power Limited Employees Group Gratuity Assurance Scheme Trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in the Profit and Loss Account for the year ended:

Particulars	31st March, 2016	31.03.2015
	Rs in Lakhs	Rs in Lakhs
Contribution to Provident Fund	16.11	15.22
Contribution to Employee's Superannuation Fund	7.48	7.60
Contribution to Employee's State Insurance Scheme	-	-
Contribution to Employee's Pension Scheme 1995	6.72	5.15

(ii) Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Leave Encashment

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial

Rs in Lakhs

Particulars	for the year ended 31 March 2016		for the year ended 31 March 2015	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
	<b>Components of employer expense</b>			
Current service cost	7.20	0.75	6.52	1.68
Interest cost	5.92	5.24	6.72	5.23
Expected return on plan assets	(11.03)	-	(11.70)	-
Actuarial losses/(gains)	12.73	(0.43)	(0.19)	6.61
Benefits paid in respect of employees in service	-	-	-	-
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>14.82</b>	<b>5.56</b>	<b>1.35</b>	<b>13.52</b>
<b>Actual contribution and benefit payments for year</b>				
Actual benefit payments	7.51	5.10	9.29	2.46
Actual contributions	0.99	-	-	-
<b>Net (asset) / liability recognised in the Balance Sheet</b>				
Present value of defined benefit obligation	94.71	68.12	76.36	67.66
Fair value of plan assets	(140.71)	-	(135.66)	-
<b>Net (asset) / liability recognised in the Balance Sheet</b>	<b>(46.01)</b>	<b>68.12</b>	<b>(59.30)</b>	<b>67.66</b>

Contd..

Note No.39 Contd...				
<b>Change in Defined Benefit Obligations (DBO) during the year</b>				
Present value of DBO at beginning of the year	76.36	67.66	72.60	56.59
Current service cost	7.20	0.75	6.52	1.68
Interest cost	5.93	5.24	6.72	5.23
Actuarial (gains) / losses	12.73	(0.43)	(0.19)	6.61
Benefits paid	(7.51)	(5.10)	(9.29)	(2.46)
Present value of DBO at the end of the year	<b>94.71</b>	<b>68.12</b>	<b>76.36</b>	<b>67.66</b>
<b>Change in fair value of assets during the year</b>				
Plan assets at beginning of the year	136.20	-	133.25	-
Expected return on plan assets	11.03	-	11.70	-
Actual company contributions	0.99	-	0.00	-
Actuarial gain / (loss)	-	-	-	-
Benefits paid	(7.51)	-	(9.29)	-
Plan assets at the end of the year	<b>140.71</b>	<b>-</b>	<b>135.66</b>	<b>-</b>
<b>Composition of the plan assets is as follows:</b>				
Administered by Life Insurance Corporation Of India	100%	-	100%	-
<b>Actuarial assumptions</b>				
Discount rate	8.25%	8.25%	7.75%	7.75%
Expected return on plan assets	8.35%	-	9.00%	-
Salary escalation	6.50%	6.50%	6.50%	6.50%
Attrition	1.00%	1.00%	1.00%	1.00%
Estimate of amount of contribution in the immediate next year	-	-	-	-

Disclosure as required under para 120(n):

Rs. In Lakhs

Sr. No	Particulars	Gratuity				
		2015-16	2014-15	2013-14	2012-13	2011-12
(i)	Present Value of the Defined Benefit Obligation	94.71	76.36	72.60	75.93	63.02
(ii)	Fair Value of the Plan Assets	(140.71)	(135.66)	(133.25)	(126.87)	(116.11)
(iii)	(Surplus)/Deficit in the plan	(46.01)	(59.30)	(60.65)	(50.94)	(53.09)
(iv)	Experience adjustments on Plan Liabilities (Gain)/Loss	17.63	(12.00)	(3.74)	(3.32)	(5.93)
(v)	Experience adjustments on Plan Assets (Gain)/Loss	-	-	-	-	-
Sr. No	Particulars	Leave Encashment				
		2015-16	2014-15	2013-14	2012-13	2011-12
(i)	Present Value of the Defined Benefit Obligation	68.12	67.66	56.59	59.89	48.90
(ii)	Fair Value of the Plan Assets	-	-	-	-	-
(iii)	(Surplus)/Deficit in the plan	68.12	67.66	56.59	59.89	48.90
(iv)	Experience adjustments on Plan Liabilities (Gain)/Loss	3.45	(3.94)	(4.56)	(0.96)	(3.31)

The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



- 40 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

Particulars	2015-16	2014-15
	Rs in Lakhs	Rs in Lakhs
Principal amount outstanding of Supplier as at 31st March	-	-
Interest due on (1) above and unpaid as 31st March	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid as at 31st March	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

As per our attached Report of even date

For and on behalf of the Board of Directors

For HARIBHAKTI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W

  
Bhavik L. Shah  
Partner  
Membership No. 122071

Place: Mumbai  
Date: May 19, 2016

Robin Sebastian, Whole Time Director

Santa Gupta (Director)

T.P.Sasidharan CFO & Company Secretary

Place: Mumbai  
Date: May 19, 2016



BSES KERALA POWER LIMITED

Cash Flow Statement for the year ended March 31, 2016

Particulars	for the year ended 31 March 2016		for the year ended 31 March 2015	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		524.94		4,779.61
<i>Adjustments for:</i>				
Depreciation and amortisation	2,536.71		3,627.44	
(Profit) / loss on sale / write off of assets	2.25		-	
Finance costs	47.09		228.84	
Interest income	(985.11)		(605.81)	
Net (gain) / loss on sale of investments	(50.17)		(311.50)	
Liabilities / provisions no longer required written back	(1.39)		(14.07)	
Expenditure incurred on CWIP written off	15.86		-	
<b>Sub Total</b>	1,565.24		2,924.90	
Operating profit / (loss) before working capital changes		2,090.18		7,704.51
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	710.12		(837.75)	
Trade receivables	487.53		3,525.25	
Short-term loans and advances	185.58		(172.01)	
Other non-current assets	(1.34)		1.07	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	81.29		(2463.63)	
Other current liabilities	13.31		29.52	
Short-term provisions	1.64		(0.18)	
Long-term provisions	(1.18)		11.20	
<b>Sub Total</b>		1,476.95		93.47
Cash generated from operations		3,567.13		7,797.98
Net income tax (paid) / refunds		(1337.99)		(903.53)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>2,229.14</b>		<b>6,894.45</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(14.02)		(13.35)	
Inter-corporate deposits given	(750.00)		(9100.00)	
Investment in Fixed Deposits not considered as Cash and cash equivalents				
- Placed	(428.00)			
Current investments not considered as Cash and cash equivalents				
- Purchased	(3201.00)		(8782.40)	
- Proceeds from sale	1,410.00		9,338.71	
Interest received				
- Others	141.91		548.91	
<b>Sub Total</b>		(2841.11)		(8008.13)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(2841.11)</b>		<b>(8008.13)</b>
<b>C. Cash flow from financing activities</b>				
Repayment (Net) of Short term borrowings	(129.43)		(9752.99)	
Finance cost	(47.09)		(292.81)	
<b>Sub Total</b>	(176.52)		(10045.80)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(176.52)</b>		<b>(10045.80)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(788.49)</b>		<b>(11159.48)</b>
Cash and cash equivalents at the beginning of the year		889.71		12049.19
Cash and cash equivalents at the end of the year (Refer Note 16)		101.22		889.71
<b>Net Increase/(Decrease) as disclosed above</b>		<b>(788.49)</b>		<b>(11159.48)</b>

As per our attached Report of even date

For and on behalf of the Board of Directors

For HARIBHAKTI & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 108523W

Robin Sebastian Whole Time Director

Santa Gupta Director

T.P.Sasidharan CFO & Company Secretary

Bhavik L. Shah  
Partner  
Membership No. 122071

Place: Mumbai  
Date: May 19, 2016

Place: Mumbai  
Date: May 19, 2016

