

BSES KERALA POWER LIMITED
Balance Sheet as at March 31, 2018

Rs. in Lakhs

Particulars	Note	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	8.1	27,898.01	30,207.41
Capital work in progress	8.2	-	-
Intangible assets	8.3	3.31	7.87
Financial assets:			
Investments	13.1	-	-
Other financial assets	9.1	47.87	48.89
Current assets			
Inventories	10	959.36	4,029.29
Financial assets:			
Cash and cash equivalents	11.1	6.69	9.06
Trade receivables	12	6,526.30	726.21
Investment in fixed deposits	11.2	40.41	1,073.00
Investments	13.2	56.20	56.20
Other financial assets	9.2	233.09	444.55
Intercompany deposits	9.3	2,589.09	3,970.50
Other current assets	9.4	694.84	29.40
Total assets		39,055.17	40,602.38
Equity and Liabilities			
Equity attributable to the Equity shareholders			
Share capital	14	6,276.00	6,276.00
Other equity	15	32,374.30	33,611.28
Liabilities			
Non-current liabilities			
Financial Liabilities:			
Borrowings		-	-
Trade and other payables		-	-
Deferred income tax liabilities		-	-
Provisions	18.1	57.98	57.43
Other non-current liabilities		-	-
Current liabilities			
Financial liabilities:			
Borrowings	16	-	-
Trade and other payables	17	303.92	466.84
Current income tax liabilities	19	-	-
Provisions	18.2	10.14	10.69
Other current liabilities	20	32.83	180.14
Total Equity and Liabilities		39,055.17	40,602.38
Significant Accounting Policies	2		
Accompanying notes form an integral part of the financial statements.			
In terms of our report of even date attached			

For Shridhar & Associates
Chartered Accountants
ICAI Firm Registration No.134427W

Jitendra Sawjani
Partner
Membership No. 050980

Place: Kochi
Date : April 16, 2018

For and on behalf of Board of Directors

Shanta Gupta Director

Robin Sebastian Whole Time Director

Vibhav Agarwal Director

BSES KERALA POWER LIMITED
Statement of Profit and Loss for the period ended March 31, 2018

Rs. in Lakhs

Particulars	Note	Period ended	Year ended
		March 31, 2018	March 31, 2017
Revenue - (i)	21	6,944.69	-
Expenses : - (ii)			
Cost of Fuel Consumed		5,469.43	23.78
Diminution in value of fuel			1,812.24
Cost of stores, spares and consumables consumed		2.34	34.45
Employee benefit expenses	22	244.19	481.60
Depreciation and amortization expenses	8	2,315.01	2,317.68
Other expenses	23	520.28	1,297.43
Other income - (iii)	24	44.60	257.55
Operating profit / (loss) (iv) = (i-ii+iii)		(1,561.96)	(5,709.63)
Finance income - (v)	25	329.43	653.89
Finance cost - (vi)	26	4.46	41.30
Finance income, net (vii) = (v-vi)		324.97	612.59
Profit / (Loss) before income tax (viii) = (iv+vii)		(1,236.99)	(5,097.04)
Income tax credit / (charge) - (ix)	3.c		-
Profit / (Loss) for the year (x) = (viii-ix)		(1,236.99)	(5,097.04)
Profit/ (Loss) for the year attributable to :			
Equity shareholders of the Company		(1,236.99)	(5,097.04)
Non-controlling interest		-	-
Total		(1,236.99)	(5,097.04)
Profit/ (Loss) per share attributable to Equity Shareholders :			
Basic (in Rs.)	27	(1.97)	(6.19)
Diluted (in Rs.)	27	(1.97)	(6.19)

The accompanying notes form an integral part of the financial statements.
 In terms of our report of even date attached

For Shridhar & Associates
 Chartered Accountants
 ICAI Firm Registration No.134427W

For and on behalf of Board of Directors

Shanta Gupta Director

Jitendra Sawjmy
 Partner
 Membership No. 050980

Robin Sebastian Whole Time Director

Vibhav Agarwal Director

Place: Kochi
 Date : April 16, 2018

BSES KERALA POWER LIMITED

Statement of Comprehensive Income for the year ended March 31, 2018

Rs. in Lakhs

	Year ended	Year ended
	March 31, 2018	March 31, 2017
Profit / (Loss) for the year	(1,236.99)	(5,097.04)
Other Comprehensive Income		
<i>Items that will be reclassified subsequently to Income statement</i>		
Foreign currency translation difference	-	-
Financial assets through OCI	-	-
Actuarial gain or loss	-	-
Cash flow hedges	-	-
Income tax relating :		
Foreign currency translation difference	-	-
Available for sale financial assets	-	-
Actuarial gain or loss	-	-
Cash flow hedges	-	-
Total Other Comprehensive Income, net of taxes	-	-
Total Comprehensive income/(loss) for the year	(1,236.99)	(5,097.04)
Total Comprehensive income/(loss) for the year attributable to:		
Equity shareholders of the Company	(1,236.99)	(5,097.04)
Non-controlling interest	-	-
Total	(1,236.99)	(5,097.04)

The accompanying notes form an integral part of the financial statements.
In terms of our report of even date attached

For Shridhar & Associates
Chartered Accountants
ICAI Firm Registration No.134427W

For and on behalf of Board of Directors

Shanta Gupta Director

Shriendra Sawjani
Partner
Membership No. 050980

Robin Sebastian Whole Time Director

Vibhav Agarwal Director

Place: Kochi
Date : April 16, 2018

BSES KERALA POWER LIMITED
Statement of Changes in Equity for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL

Rs. in lakhs

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
2016-17	12,776.00	(6,500.00)	6,276.00
2017-18	6,276.00		6,276.00

B OTHER EQUITY

Rs. in lakhs

Particulars	Retained Earnings	Other Reserves	Total
As at April 1, 2016	6,329.46	33,702.13	40,031.59
Comprehensive income /(loss) for the year	(5,097.04)	-	(5,097.04)
Reversal of Deferred Tax Asset	-	-	-
Total comprehensive income/ (loss) for the year	(5,097.04)	-	(5,097.04)
Dividend distribution tax	1,323.27	-	1,323.27
As at March 31, 2017	(90.85)	33,702.13	33,611.28
Comprehensive income /(loss) for the year	(1,236.99)	-	(1,236.99)
Total comprehensive income/ (loss) for the year	(1,236.99)	-	(1,236.99)
As at March 31, 2018	(1,327.84)	33,702.13	32,374.30

In terms of our report of even date attached

For Shridhar & Associates
Chartered Accountants
ICAI Firm Registration No.134427W

For and on behalf of Board of Directors

Shanta Gupta Director

Jitendra Sawjiyani
Partner
Membership No. 050980

Robin Sebastian Whole Time Director

Vibhav Agarwal Director

Place: Kochi
Date : April 16, 2018

BSES KERALA POWER LIMITED
Cash Flow Statement for the year ended March 31, 2018

Particulars	for the year ended March 31, 2018		for the year ended March 31, 2017	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(1236.99)		(5097.04)
<u>Adjustments for:</u>				
Depreciation and amortisation	2315.01		2317.88	
Diminution in value of inventory	0.00		1,812.24	
(Profit) / loss on sale / write off of assets	(2.18)		0.08	
Finance costs	4.46		41.30	
Interest income	(329.43)		(653.89)	
Net (gain) / loss on sale of investments	0.00		(225.26)	
Liabilities / provisions no longer required written back	(247.05)		(4.90)	
Expenditure incurred on CWIP written off	-		0.00	
Sub Total	1740.81		3287.25	
Operating profit / (loss) before working capital changes		503.82		(1809.79)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	3069.93		12.74	
Trade receivables	(5800.09)		219.98	
Short-term loans and advances	-		0.00	
Long-term loans and advances	-		0.00	
Other current assets	-		0.00	
Other non-current assets/current assets	(451.82)		658.47	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	84.13		208.26	
Other current liabilities	(147.31)		14.63	
Short-term provisions	0.55		(0.55)	
Long-term provisions	(0.55)		0.55	
Sub Total		(3245.16)		1114.08
Cash generated from operations		(2741.34)		(695.71)
Net income tax (paid) / refunds		0.00		(35.51)
Net cash flow from / (used in) operating activities (A)		(2741.34)		(731.22)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-		0.00	
Inter-corporate deposits given/ closed	1381.41		5879.50	
Bank Deposits not considered as Cash and cash equivalents	1028.00		(600.00)	
- Placed	-		-	
Current investments not considered as Cash and cash equivalents				
- Purchased	-		0.00	
- Proceeds from sale	-		2615.24	
Interest received				
- Others	329.43		653.89	
Sub Total		2738.84		8548.63
Net cash flow from / (used in) investing activities (B)		2738.84		8548.63
C. Cash flow from financing activities				
Proceeds from long-term borrowings	-		-	
Repayment of long-term borrowings	-		-	
Net increase / (decrease) in working capital borrowings	-		-	
Proceeds from other short-term borrowings/Capital reduction	0.00		(6500.00)	
Repayment of other short-term borrowings	0.00		0.00	
Finance cost	(4.46)		(41.30)	
Dividends paid	-		-	
Tax on dividend	0.00		(1,323.27)	
Sub Total	(4.46)		(7864.57)	
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)		(4.46)		(7864.57)
Net increase / (decrease) In Cash and cash equivalents (A+B+C)		(6.96)		(47.16)
Cash and cash equivalents at the beginning of the year		54.06		101.22
Cash and cash equivalents at the end of the year		47.10		54.06
Cash and cash equivalents (refer Note 11.1)		6.69		9.06
Fixed deposits (refer Note 11.2)		40.41		45.00
Total		47.10		54.06

In terms of our report of even date attached

For Shridhar & Associates
Chartered Accountants
ICAI Firm Registration No.134427W

Jitendra Sawjani
Partner
Membership No. 050980

Place: Kochi
Date : April 16, 2018

For and on behalf of Board of Directors

Shanta Gupta Director

Robin Sebastian Whole Time Director

Vibhav Agarwal Director

BSES KERALA POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 Corporate information

- 1.a BSES Kerala Power Limited (BKPL) was incorporated on April 4, 1996 with registered office in Kochi, Kerala. The entire shares of BKPL is owned by Reliance Infrastructure Limited.

The Company is engaged in Electricity Generation and had 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. Both KSEBL & Govt. of Kerala (GoK) had issued formal letter/order for 2 year extension of PPA with BKPL w.e.f. 01.11.2015. As instructed by KSEBL, BKPL filed a petition for approval of PPA and tariff for the two years extended period before Kerala State Electricity Regulatory Commission (KSERC) in Oct '15, before expiry of the original PPA.

KSERC vide its order dated 26/10/2016 dismissed our petition stating that the petition filed by BKPL was not maintainable. In Dec'16 upon a complaint filed by laid off contract workers of BKPL, District Collector in his capacity as Chairman, District Disaster Management Authority and citing safety concerns had directed BKPL to dispose off the Naphtha lying in its storage tanks within seven days. BKPL had challenged the orders of the Regulatory Commission dismissing its Petition and the District Collector issued under Disaster Management Act before the Hon'ble High Court of Kerala through a Writ Petition.

The High Court had set aside the order of the District Collector. However in view of the apprehended disaster and in view of the expiry of BKPL's Explosive License by 31/12/2017, by an interim order dated 04/04/2017 directed BKPL to exhaust the Naphtha stock at its premises and the premises of Indianoil (balance of the product brought by IOCL based on the firm indent given by BKPL in Nov '14) on or before 01/07/2017. Court had left all the issues raised by all the parties for consideration in the final Writ.

As directed by the Court, BKPL had operated the plant during the period May -June '17 whereby exhausting the Naphtha stock available at its premises and stored at the premises of IOCL. In the process BKPL had exported 62 million units of electricity to the grid of KSEBL.

The High Court in its final order dated 31/10/2017 in our Writ Petition had set aside the order of the Hon'ble Kerala State Electricity Commission dismissing our petition for approval of PPA for the two years extended period and remanded the matter to Commission for fresh consideration on merits. The Hon'ble High Court in its final judgement has also directed the Commission to adjudicate on the tariff for the power generated in May /June '17 pursuant to its interim order dated 04/04/2017.

As permitted by the Hon'ble Court, BKPL has submitted a claim of Rs 157.34 Crores (Fixed charge of Rs 76.74 Crores for the period from 01/11/2015 to 31/10/2017 and Variable Charges of Rs 69.6 Crores for the power exported in May /June '17) before the Hon'ble Commission. The Hon'ble State Electricity Regulatory Commission has heard the matter on 23/01/2018 and orders are expected by mid of April '18.

1.b Buyout of the plant by KSEBL

In a meeting convened by the Hon'ble Chief Minister of Kerala on 08/11/2017, as requested by BKPL to discuss the issues related to BKPL, it was decided to explore the possibility of buying out the plant by KSEBL at a value not exceeding depreciated rate as per norms.

Subsequent to the meeting convened by Hon'ble Chief Minister, on 9/11/2017 BKPL has conveyed its agreement to sell the plant to KSEBL at Rs 56 Crores, being 10% of the original capitalized project cost of Rs 561 Crores. As per KSERC/CERC Tariff Regulations depreciation through tariff is allowed only up to 90% of the approved capital cost.

Govt. has decided to further negotiate the price for buyout with BKPL and issued a Government Order dated 11/02/2018 constituting a committee under the Chairmanship of Principal Secretary (Power) for finalizing the details of buyout.

Principal Secretary (Power), Government of Kerala convened a meeting on 03/04/2018 of BKPL and the Committee constituted by the Government, to further discuss the buyout matter.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply with all material respects with the prescribed accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. 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. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous Generally accepted Accounting Policies (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The Company adopt Ind AS first time for the financial year 2016-17 and the date of transition to Ind AS is April 1, 2015.

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.

All pre-operative expenditure and trial run expenditure (net of income) are 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 4)
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.

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.

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

2.8.1 Retirement benefit costs and termination benefits

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

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in the Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The company presents the first two components of defined benefit costs in the Statement of profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.2 Short-term and other long-term employee benefits

A liability is recognised for short-term employee benefits accruing to employees in respect of wages and salaries, annual and sick leave expected to be availed / encashed in the next 12 months, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

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 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates existing at the end of the reporting period.

2.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Policy for 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 (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the time value of money is recognised as a finance cost.

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 bank balances

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 Financial Instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in the statement of profit and loss.

2.18 Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost

2.18.1 Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through statement of profit and loss on initial recognition):

- (i). the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (ii). the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

2.18.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the statement of profit and loss and is included in the "Other income" line item.

2.18.3 Impairment of financial assets

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables and other financial assets, the Company has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance has been made taking into account historical credit loss experience and adjusted for forward-looking information.

2.18.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.19 Financial liabilities and equity instruments

2.19.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

2.19.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

2.19.4 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' except for foreign currency gains and losses arising on long-term monetary liabilities which are adjusted in the cost of the intangible asset as per the previous GAAP.

2.19.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.20 Earning per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Ind AS 33 on Earnings per Share.

Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.21 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 negative figures.

3 Deferred Tax

- a The details of deferred tax are as under;

Particulars	Rs. in lakhs		
	As on March 31, 2017	For the year 2017-18	As on March 31 2018
Deferred tax assets			
Unabsorbed Losses and Depreciation	1,164.50	(377.34)	787.16
Provision for leave encashment	-	17.71	17.71
Difference between depreciation on block of assets	(166.45)	1,986.39	1,819.94
Net deferred tax asset	998.05	1,626.76	2,624.81

- b The company has deferred tax asset of Rs. 2624.81 lakhs as on 31.03.2018 (Rs. 998.05 lakhs) on account of deductible temporary differences and unused tax losses. The same has not been recognized during the year 2017-18 as the probability of taxable profit in foreseeable future against which the deductible temporary differences and unused tax losses can be utilized is little due to the matters mentioned in Note No. 1 of financial statements and the company expect taxable profit only in long run after implementation of further expansion of the plant or new projects. Based on the above reason, the company has derecognized the deferred tax assets disclosed in the financial statements of previous years.

- c Income tax credit / (charge)

Particulars	Rs. in lakhs	
	2017-18	2016-17
(1) Current tax	-	-
(2) MAT Credit Utilised	-	-
(3) Deferred tax charge / (credit)	-	-
Total	-	-

4 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 the same 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 that the land lease agreement between the Company and TCCL is to be extended upto October 2015, i.e. till the expiry of 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 1, 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.

There was a meeting on 13.11.2017 convened by the Chief Secretary regarding the issue related to non-payment of lease rent by BKPL to TCC Limited. The meeting decided that the lease rent would be payable to TCCL by BKPL only from 01.07.16 to 31.10.2016

5 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. During the year, 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 during the year.

6 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 Ind AS.

7 Movement of provision

Nature of provision	Rs. in lakhs				
	Carrying amount at the beginning of the year	Additional provisions made in the year	Amount used during the year	Unused amounts reversed during the year	Closing balance as at the end of the year
Provision for Leave encashment	68.12	28.83	28.83	-	68.12
Provision for Superannuation	0.16	0.16	0.16	-	0.16
Provision for Income Tax	-	-	-	-	-

BSES KERALA POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Gross Block				Accumulated Depreciation				Net Block Balance as at March 31, 2018	
	Balance as at April 1, 2017	Normal Additions	Addition on account of revaluation	Adjustment/ Deduction	Balance as at March 31, 2018	Balance as at April 1, 2017	Normal Depreciation charge for the year	Depreciation charge for the year on account of revaluation		Depreciation on adjustments/deduc- tions
8.1 Property, Plant & Equipment										
Land	5,909.23	-	-	-	5,909.23	-	-	-	-	5,909.23
Buildings	5,463.77	-	-	-	5,463.77	4,955.98	-	-	4,955.98	527.79
Plant and Equipment	82,019.12	-	-	-	82,019.12	58,263.18	43.72	2,263.75	60,570.65	21,448.47
Furniture and Fixtures	52.79	-	-	-	52.79	43.52	1.88	-	45.50	7.29
Vehicles	18.82	-	-	-	18.82	17.88	-	-	7.88	0.42
Office equipment	22.66	-	-	10.51	22.66	16.86	0.89	-	17.89	4.81
Total	93,506.40	-	-	10.51	93,495.89	63,297.42	48.69	2,263.75	9.98	65,697.97
8.3 Intangible Assets										
Computer software	40.13	-	-	-	40.13	32.25	4.57	-	36.82	3.31
Total	40.13	-	-	-	40.13	32.25	4.57	-	36.82	3.31
8.2 Capital Work In Progress										
Total	-	-	-	-	-	-	-	-	-	-
Previous Year	93,546.52	-	-	10.51	93,556.01	63,329.67	51.26	2,263.75	9.98	27,901.32
	93,546.52	-	-	0.08	93,546.44	61,013.46	53.83	2,263.75	-	30,215.28

Note

1. Plant & Machinery and Building are erected in 20 acres of land taken on lease from TCCL by virtue of an agreement dated 06.11.2014 at an annual lease rent of Rs. 472.72 lakhs (Rs. 472.72 lakhs) (excluding GST) payable upto 31.10.2016
2. According to the requirement of Companies Act, 2013, company has charged the depreciation on revalued asset to the tune of Rs. 2263.75 lakhs (Rs. 2263.75 lakhs), in P&L account and similar amount has been removed from Revaluation Account and transferred to General Reserve Account

BSES KERALA POWER LIMITED
Notes forming part of financial statements

Note 9.1 - Other non current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
(Unsecured, Considered good unless otherwise stated)		
Long term deposits and advance	47.87	48.89
Total	47.87	48.89

9.2 - Other Current Financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
(Unsecured, Considered good unless otherwise stated)		
Short Term advance	0.00	0.30
Interest receivable	233.09	437.41
Other current Financial Assets	0.00	6.84
Total	233.09	444.55

Note 9.3 - Intercompany Deposits

Particulars	As at March 31, 2018	As at March 31, 2017
Intercompany deposits	2,589.09	3,970.50
Total	2,589.09	3,970.50

Note 9.4 - Other current assets

Particulars	As at March 31, 2018	As at March 31, 2017
Advance to employees	-	1.86
Advances to Vendors	600.97	0.89
Prepaid expenses	14.45	26.65
Advance Income Tax paid	79.42	-
Total	694.84	29.40

Note 10 - Inventories:

Particulars	As at March 31, 2018	As at March 31, 2017
Fuel :		
Gross amount	13.44	4,895.55
Less: Diminution in value of fuel	-	1,812.24
Net amount	13.44	3,083.31
Stores and Spares	945.92	945.98
Total	959.36	4,029.29

Note 11 - Cash and Bank Balances:

Particulars	As at March 31, 2018	As at March 31, 2017
11.1 Cash & Cash equivalents		
Balance with banks	6.58	8.85
Cash on hand	0.11	0.21
	6.69	9.06
11.2 Investment in fixed deposits		
Fixed Deposit Account	40.41	45.00
Restricted deposit with banks (*)	-	1,028.00
Total	40.41	1,073.00

* Restricted deposit with banks during 2016-17 consists of Fixed Deposits in lien with Canara Bank towards bank guarantee issued in favour of Indian Oil Corporation Limited.

Note 12 - Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
(Secured unless otherwise stated) Outstanding for a period less than six months from the date they are due for payment Considered good	-	0.00
Outstanding for a period exceeding six months from the date they are due for payment* Considered good	6,526.30	726.21
Total	6,526.30	726.21

Note 13 - Investments
13.1 - Non current Investments (Non-Trade)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in equity shares	0.03	0.03
Total	0.03	0.03
Less : Provision for diminution in the value of Investments	0.03	0.03
Total	-	-

Details of Non Current Investments

Name of the Body Corporate	No. of Shares / Units		Rs. in lakhs		Basis of Valuation
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	
Investments In Equity shares					
(i) North Eastern Electricity Supply Company of Orissa 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 Orissa 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 Orissa Limited 100 (100) Equity Shares of Rs. 10 each fully paid up	100.00	100.00	0.01	0.01	"
Total			0.03	0.03	

13.2 - Current Investments (Non-trade)

Particulars	As at March 31, 2018	As at March 31, 2017
Investments in Mutual Funds	56.20	56.20
Total	56.20	56.20

Details of Current Investments

Name of the Body Corporate	No. of Shares / Units		Rs in Lakhs		Basis of Valuation
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	
Investments In Reliance Mutual Funds					
Floating Short Term Fund-Growth option (NAV as on 31.03.2018 is Rs.69.38 lakhs and 31.03.2017 is Rs. 65.47 lakhs)	212,463.304	212,463.304	56.20	1,880.00	Cost or market value whichever is lower
Total	212,463.304	212,463.304	56.20	2,446.17	

	Market Value		Book Value	
	Rs in Lakhs		Rs in Lakhs	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Aggregate value of Quoted Investments	69.38	65.47	56.20	2,446.17

Note 14 - Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Authorised 14,50,00,000 Equity Shares of Rs. 10 each	145,000,000	14,500.00	145,000,000	14,500.00
Issued 6,27,60,000 Equity Shares of Rs. 10 each	62,760,000	6,276.00	62,760,000	6,276.00
Subscribed & Paid up 6,27,60,000 Equity Shares of Rs. 10 each fully paid	62,760,000	6,276.00	62,760,000	6,276.00
Total	62,760,000	6,276.00	62,760,000	6,276.00

14.a Shares held by Holding Company and shareholders holding more than 5 % shares in the Company

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Reliance Infrastructure Limited - Holding Company	62,760,000	100.00	62,760,000	100.00

The Company has only one class of equity shares having a par value of Rs.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.

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.

Note 15 - Other Equity

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Reserves & Surplus		
Opening balance	(90.85)	6,329.46
(+) Total Comprehensive income/(loss) for the year	(1,236.99)	(5,097.04)
(+) Reversal of deferred tax	-	-
(-) Tax on Dividend	-	1,323.27
(+) Closing Balance	(1,327.84)	(90.85)
b. Revaluation reserve		
(+) Opening Balance	31,438.38	31,438.38
(+) Addition during the year	-	-
(-) Reversal on Disposal of Asset	-	-
(-) Credit to General Reserve	-	-
(+) Closing Balance	31,438.38	31,438.38
c. General reserve		
(+) Opening Balance	2,263.75	2,263.75
(+) Addition during the year	-	-
(-) Credit to P&L account	-	-
(+) Closing Balance	2,263.75	2,263.75
Total	32,374.30	33,611.28

Note 16 - Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Secured:		
Working capital facility from banks	-	-
Total	-	-

Note 17 - Trade and other payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade and other payables	303.92	466.84
Total	303.92	466.84

Note 18 - Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
18.1 - Non-Current		
Provision for leave encashment	57.98	57.43
Total	57.98	57.43
18.2 - Current		
Provision for Leave encashment	10.14	10.69
Total	10.14	10.69

Refer Note No. 7 for movement of provision

Note 19 - Current Income Tax liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Income Tax	-	-
Total	-	-

Note 20 - Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Outstanding Liability for Expenses	0.10	54.22
Employee Payments	27.16	73.12
Other employee benefits payable	0.16	0.38
Statutory Liabilities	2.07	45.67
Short Term Security Deposits of vendors	3.34	6.75
Total	32.83	180.14

Note 21 - Revenue**Revenue from operations**

Rs. in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Sale of Electricity	6,944.69	-
Other Operating Income	-	-
Total	6,944.69	-

Note 22 - Employee Benefit Expense

Rs. in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Salaries and incentives	149.35	367.33
Contributions to Provident Fund and other funds	77.00	32.58
Staff welfare expenses	17.84	81.69
Total	244.19	481.60

Note 23 - Other Expenses

Rs. in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Electricity charges	117.65	219.97
Prompt Payment Rebate (net)	-	-
Rent (Refer Note 4)	1.26	545.98
Repairs to buildings	0.85	-
Repairs to machinery	75.99	132.42
Insurance	137.87	152.83
Rates and taxes, excluding taxes on income	2.12	2.19
Loss on Sale of assets	-	0.08
Expenditure incurred on CWIP written off	-	-
Miscellaneous expenses including payments to auditor	184.54	243.96
Total	520.28	1,297.43

23.a Miscellaneous expenses include expenditure related to Corporate Social Responsibility
(Refer Note No. 32)

23.b Details of payments to the auditor

Rs. in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Audit fee including service tax	0.18	2.58
for reimbursement of expenses	0.09	0.03
Total	0.27	2.61

Note 24 - Other income

Rs. in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Net gain/(loss) on sale of investments	-	225.26
Unclaimed liabilities written back	247.05	4.90
Profit on sale of assets	2.18	-
Insurance Claim on Fixed Assets	-	26.85
Other non-operating income	(204.63)	0.54
Total	44.60	257.55

Note 25 - Finance Income

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Interest Income	329.43	653.89
Total	329.43	653.89

Note 26 - Finance Cost

Rs. in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Interest expense on working capital and other borrowings	-	35.77
Other borrowing costs	4.46	5.53
Total	4.46	41.30

Note 27 - Earnings Per Equity Share

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Net Profit / (Loss) after taxation (Rs in Lakhs)	(1,236.99)	(5,097.04)
Nominal Value of equity shares (in Rs.)	10	10
No of Equity shares (opening)	62,760,000	127,760,000
No of Equity shares (closing)	62,760,000	62,760,000
Weighted average number of Equity shares	62,760,000	82,349,041
Basic earnings per share (Rs.)	(1.97)	(6.19)
Diluted earnings per share (Rs.)	(1.97)	(6.19)

28 C.I.F Value of Imports

Rs in Lakhs

Particulars	2017-18	2016-17
(i) Components and Spare parts	-	-
(ii) Capital Goods	-	-
Total	-	-

29 Expenditure in Foreign Currency:

Rs in Lakhs

Particulars	2017-18	2016-17
(i) Interest	-	-
(ii) Repair & Maintenance	-	-
(iii) Foreign Travel & Training fee	-	-
Total	-	-

Earnings in Foreign Currency

Particulars	2017-18	2016-17
	Nil	Nil

30 (a) Details of fuel Consumption/Diminution value

Rs in Lakhs

Particulars	2017-18	2016-17
Naphtha	5,438.35	14.12
Diminution in value of fuel	-	1,812.24
HSD	31.08	9.66
Total	5,469.43	1,836.02

30 (b) Value of components, stores and spare parts consumed: (including fuel consumed & diminution in value)

Particulars	2017-18		2016-17	
	Rs in Lakhs	% to Total Consumption	Rs in Lakhs	% to Total Consumption
Imported	-	0.00%	0.11	0.01%
Indigenous	5,471.77	100.00%	1,870.36	99.99%
Total	5,471.77	100.00%	1,870.47	100.00%

31 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
Rs. 30.93 lakhs (P.Y. Rs.30.93 lakhs)

32 Expenditure related to Corporate Social Responsibility as per Section 135 of the Act, read with Schedule VII thereof is Rs. 4.07 lakhs. (Previous year 5.95 lakhs)

BSES Kerala Power Limited

Note 33 - RELATED PARTY DISCLOSURES

As per IND AS 24 Related Parties , the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships

Sr. No.	Name	Relationship
1	T P Sasidharan	Key Managerial Person
2	Robin Sebastian	Key Managerial Person

(ii) Transactions during the year with related parties :

		Rs. In lakhs				
Sr. No.	Nature of transaction	Holding Company	Associate	Key Managerial person	Others	Total
1	Payment to Key Managerial Personnel	-	-	58.11	-	58.11

34. a Ind AS "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	Rs. in lakhs	
	March 31, 2018	March 31, 2017
Contribution to Provident Fund	5.90	16.89
Contribution to Employee's Superannuation Fund	2.69	6.56
Contribution to Employee's State Insurance Scheme	-	-
Contribution to Employee's Pension Scheme 1995	1.70	5.64

(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 statements:

Particulars	Rs in Lakhs			
	for the year ended March 31, 2018		for the year ended March 31, 2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Components of employer expense				
Current service cost	1.90	0.95	5.84	3.83
Interest cost	6.25	4.32	7.81	5.62
Expected return on plan assets	(6.24)	0.00	(11.43)	0.00
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	94.16	(13.17)	(8.72)	(13.22)
Benefits paid in respect of employees in service	-	0.00	-	0.00
Total expense recognised in the Statement of Profit and Loss	96.06	(7.90)	(6.50)	(3.77)
Actual contribution and benefit payments for year				
Actual benefit payments	(159.87)	(26.73)	(16.32)	(6.73)
Actual contributions	0.00	-	0.00	-
Net (asset) / liability recognised in the Balance Sheet				
Present value of defined benefit obligation	25.76	22.98	83.32	57.61
Fair value of plan assets	(48.34)	-	(137.81)	-
Funded status [Surplus / (Deficit)]	-	-	-	-
Unrecognised past service costs	-	-	-	-
Net (asset) / liability recognised in the Balance Sheet	(22.58)	22.98	(54.49)	57.61

Contd..

Note No.34 Contd...				
Change in Defined Benefit Obligations (DBO) during the year				
Present value of DBO at beginning of the year	83.32	57.61	94.71	68.12
Current service cost	1.90	0.95	5.84	3.83
Interest cost	6.25	4.32	7.81	5.62
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Plan amendments	-	-	-	-
Acquisitions	-	-	-	-
Actuarial (gains) / losses	94.16	(13.17)	(8.72)	(13.22)
Past service cost	-	-	-	-
Benefits paid	(159.87)	(26.73)	(16.32)	(6.73)
Present value of DBO at the end of the year	25.76	22.98	83.32	57.61
Change in fair value of assets during the year				
Plan assets at beginning of the year	137.81	-	140.71	-
Acquisition adjustment	-	-	-	-
Expected return on plan assets	6.24	-	11.43	-
Actual company contributions	64.15	-	1.99	-
Actuarial gain / (loss)	-	-	-	-
Benefits paid	(159.87)	-	(16.32)	-
Plan assets at the end of the year	48.34	-	137.81	-
Actual return on plan assets	-	-	-	-
Composition of the plan assets is as follows:				
Government bonds	-	-	-	-
Administered by Life Insurance Corporation Of India	100%	-	100%	-
Equity mutual funds	-	-	-	-
Others	-	-	-	-
Actuarial assumptions				
Discount rate	7.50%	7.50%	7.50%	7.50%
Expected return on plan assets	7.65%	0.00%	8.25%	0.00%
Salary escalation	7.50%	7.50%	7.00%	7.00%
Attrition	1.00%	1.00%	1.00%	1.00%
Mortality tables	-	-	-	-
Performance percentage considered	-	-	-	-
Estimate of amount of contribution in the immediate next year	-	-	-	-

Sr. No	Particulars	Gratuity				
		2017-18	2016-17	2015-16	2014-15	2013-14
(i)	Present Value of the Defined Benefit Obligation	25.76	83.32	94.71	76.36	72.60
(ii)	Fair Value of the Plan Assets	(48.34)	(137.81)	(140.71)	(135.66)	(133.25)
(iii)	(Surplus)/Deficit in the plan	(22.58)	(54.49)	(46.01)	(59.30)	(60.65)
(iv)	Experience adjustments on Plan Liabilities (Gain)/Loss	93.27	(17.10)	17.63	(12.00)	(3.74)
(v)	Experience adjustments on Plan Assets (Gain)/Loss	0.00	0.00	0.00	0.00	0.00
Sr. No	Particulars	Leave Encashment				
		2017-18	2016-17	2015-16	2014-15	2013-14
(i)	Present Value of the Defined Benefit Obligation	22.98	57.61	68.12	67.66	56.59
(ii)	Fair Value of the Plan Assets	0	0	0	0	0
(iii)	(Surplus)/Deficit in the plan	22.98	57.61	68.12	67.66	56.59
(iv)	Experience adjustments on Plan Liabilities (Gain)/Loss	(14.02)	(19.31)	3.45	(3.94)	(4.56)

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.

34. b As per actuarial valuation as on March 31, 2018, the company has net gain of Rs.2.72 lakhs in respect of gratuity and leave encashment which is mainly due to reduction in number of employees. In the opinion of the Management, the liability in respect of Gratuity and Leave encashment recognised in the books of accounts need not be reduced and hence the above mentioned gain is not recognised for the year.

- 35 The company has written to all its creditors to confirm whether they fall under Micro, Small and Medium Enterprises Creditors category. From responses received and the information available with the Company, there are no dues payable to Micro Small and Medium Enterprises Creditors.

Particulars	2017-18	2016-17
	Rs in Lakhs	Rs in Lakhs
Principal amount outstanding 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	-	-

- 36 **Contingent liabilities and commitments (to the extent not provided for)**

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
(i) Contingent Liabilities		
(a) Guarantees / Counter guarantees		1,028.00
(b) Wealth tax claim	2.55	2.55
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Total	2.55	1,030.55

During the year 2016-17, the company has executed a Deed of Hypothecation for Rs. 18,900 lakhs in favour of Yes Bank Limited for the loan availed by Holding company (M/s. Reliance Infrastructure Limited, Mumbai)