G.D. PANDIT & CO.
Chartered Accountants

209, Vardhman, Sunder Plaza, Plot No. 12
Sec-12, Dwarka, DELHI-110075
+91-9818374210| vinodgoyal_ca@rediffmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
Cross Border Power Transmission Company Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Cross Border Power Transmission Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in equity and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

G.D. PANDIT & CO. ★ Chartered Accountants ★

G.D. PANDIT & CO.
Chartered Accountants

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's 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 the Annexure -A, which forms a part of this report, a statement on the matters specified in paragraph 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 purpose of our audit;

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

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

   (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) on the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B".

3. As required by Rule 11 of the Companies (Audit and Auditors) Rules, 2014 issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Act, in our opinion and to the best of our information and according to the explanation given to us:

   (a) the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25(iii) to the Ind AS financial statement.

   (b) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   (c) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   (d) The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 . However, as stated in Note 7(i) to the Ind AS financial statements amounts aggregating to Rs. NIL as represented to us by the Management have been received from transactions which are not permitted. Such holdings and dealings are in accordance with the books of accounts maintained by the Company.

For G. D. Pandit & Co.
Chartered Accountants
Firm Reg. No: 000167N

Place: New Delhi
Date: 23/06/2017

G.D. PANDIT & CO. ★ Chartered Accountants ★ CA

CA Vinod Goyal
Partner
Membership No.: 083701

G.D. PANDIT & CO.
Chartered Accountants

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ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2017, we report that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification as compared to the book records.

(c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

ii. (a) Physical verification has been carried out by the Management in respect of inventory at reasonable intervals including as on March 31, 2017. In our opinion the frequency of verification is reasonable.

(b) The Company is maintaining proper records of inventory. As per the information and explanations provided to us by the Management, the discrepancies observed on physical verification of inventory were not material and the same has been properly dealt with in the books of account.

iii. According to the information and explanations given to us and based on such tests which we considered necessary, we report that 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 Companies Act, 2013 . Therefore the provisions of paragraph (iii) (a) , (b) and (c) of the above order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not made any loans, investments, or given any guarantees or provided any security pursuant to the provisions of section 185 and 186 of the Companies Act, 2013. Therefore the provisions of paragraph (iv) of the above order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit. Therefore, directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs , Value Added Tax, cess and any other statutory dues with the appropriate authorities. We are informed that the provisions of Excise Duty are not applicable to the company. According to the information and explanation given to us, no undisputed amounts payable were outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs or value added tax

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution , bank or Government . The Company does not have any debenture holders.

G.D. PANDIT & CO. Chartered Accountants

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ix. In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year .

x. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under review.

xi. According to the information and explanations given to us and based on our examination of records of company, the company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act , 2013.

xii. According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.

xiii. According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013. Further the details of the transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review . Therefore the provisions of paragraph 3(xiv) of the Order are not applicable.

xv. According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.

xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Pandit & Co.
Chartered Accountants
Firm Reg. No: 000167N

G.D. PANDIT & CO. Chartered Accountants CA

CA Vinod Goyal
Partner
Membership No.: 083701

Place: New Delhi
Date: 23/06/2017

G.D. PANDIT & CO.
Chartered Accountants

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ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

b. 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

c. 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.

G.D. PANDIT & CO. Chartered Accountants

D. PANDIT & CO.
Chartered Accountants

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Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For G. D. Pandit & Co.
Chartered Accountants
Firm Reg. No: 000167N

Place: New Delhi
Date: 23/06/2017

CA Vinod Goyal
Partner
Membership No.: 083701

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

BALANCE SHEET AS AT MARCH 31, 2017

(In rupees)

	Note No.	Year Ended 31 March 2017	Year Ended 31 March 2016	1 April 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3A	2,02,843	2,12,161	2,15,449
(b) Other intangible assets	3B	72,983	1,07,579	-
(c) Financial assets				
(i) Service concession agreeement	4	2,09,97,49,668	2,21,62,18,426	1,48,82,58,102
(d) Other non-current assets	5	-	-	3,08,94,336
		2,10,00,25,494	**2,21,65,38,166**	**1,51,93,67,887**
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	6	-	84,81,633	-
(ii) Cash and cash equivalents	7	22,60,52,540	2,13,04,674	4,44,96,979
(iii) Loans and advances	8	4,93,65,069	1,23,86,905	64,55,476
(iv) Service concession agreement	4	44,46,55,059	42,00,86,804	4,40,55,101
(v) Other financial assets	9	5,33,21,743	4,51,90,831	1,33,709
(b) Other current assets	10	52,67,604	2,86,804	13,00,151
		77,86,62,015	**50,77,37,651**	**9,64,41,416**
	TOTAL ASSETS	**2,87,86,87,509**	**2,72,42,75,817**	**1,61,58,09,303**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11A	48,50,95,120	39,69,26,270	19,00,00,000
(b) Other equity	11B			
(i) Retained earnings		25,25,27,932	18,76,13,768	4,44,86,604
(ii) Share application money			-	3,43,20,000
	Total equity	**73,76,23,052**	**58,45,40,038**	**26,88,06,604**
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	1,72,74,19,444	1,46,79,57,936	1,06,00,00,000
(b) Provisions	15	1,28,28,325	50,74,423	-
(c) Deferred tax liabilities (net)		4,35,23,360	4,35,23,360	1,22,32,459
(2) Current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	13	18,44,03,412	8,76,83,638	2,17,66,160
(b) Other current liabilities	14	17,28,37,526	53,46,35,972	25,30,51,500
(c) Provisions	15	52,390	8,60,450	-
	Total liabilities	**2,14,10,64,457**	**2,13,97,35,779**	**1,34,70,50,119**
TOTAL EQUITY AND LIABILITIES		**2,87,86,87,509**	**2,72,42,75,817**	**1,61,58,56,723**

See accompanying notes to the financial statements 1-34

In terms of our report attached

For G.D. Pandit & Co
ICAI Firm registration number:000167N
Chartered Accountants

CA Vinod Goyal
Partner
Membership No:083701

G.D. PANDIT & CO. Chartered Accountants CA

Place Gurgaon
Date 23/06/2017

For and on behalf of the Board

Haziq Beg
Director
DIN: 00063364

S C Misra
Director
DIN:02131665

Sandip Rai
Company Secretary & CFO

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

Place Gurgaon
Date 23/06/2017

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

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

	Notes	Year Ended 31 March 2017	(In rupees) Year Ended 31 March 2016
Continuing operations			
Revenue from operations	16	5,60,37,786	96,25,07,622
Other income	17	-	6,311
Finance income	18	35,64,42,731	19,83,75,818
Total income		41,24,80,517	1,16,08,89,751
Expenses			
Cost of construction		-	47,20,59,719
Employee benefits expense	19	1,20,00,420	1,19,46,188
Depreciation and amortisation expense	3A & 3B	2,24,213	1,64,491
Finance cost	20	18,35,16,455	15,00,12,271
Transmission, administration and other expenses	21	4,02,53,388	34,68,64,706
Total expenses		23,59,94,476	98,10,47,375
Profit/ loss before tax from continuing operations		**17,64,86,041**	**17,98,42,377**
Current tax	22	4,49,18,661	53,76,892
Mat credit entitlement		-4,49,18,661	-
Deferred tax		-	3,12,90,900
Income tax expense		-	3,66,67,792
Profit/ (loss) for the year		17,64,86,041	14,31,74,584
Other comprehensive income			
Exchange differences on translation of foreign operations		-	-
Total comprehensive income/ (loss) for the year, net of tax		17,64,86,041	14,31,74,584
Attributable to:			
Equity holders of the parent			
Non-controlling interests			
Earnings per share			
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	22	4.13	4.16
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent		4.13	4.16

See accompanying notes to the financial statement 1-34

In terms of our report attached

For G.D. Pandit & Co
ICAI Firm registration number:000167N
Chartered Accountants

CA Vinod Goyal
Partner
Membership No:083701

G.D. PANDIT & CO. Chartered Accountants CA

Place Gurgaon
Date 23/06/2017

For and on behalf of the Board

Haziq Beg
Director
DIN: 00063364

S C Misra
Director
DIN:02131665

Sandip Rai
Company Secretary & CFO

Place Gurgaon
Date 23/06/2017

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year Ended 31 March 2017	(In rupees) Year Ended 31 March 2016
A. Cash flow from operating activities		
Profit before taxation	**17,64,86,041**	**17,98,42,377**
Adjustments for:		
Depreciation expense	2,24,213	1,64,491
Interest income	(35,64,42,731)	(19,83,75,818)
Interest expense	18,35,16,455	15,00,12,271
Operating loss/ profit before working capital changes	**37,83,978**	**13,16,43,321**
Movement in working capital:-		
Increase/ (Decrease) in receivable against service concession agreement		
Non current	46,35,40,721	(53,28,19,726)
Current	(2,45,68,255)	(37,60,31,703)
Decrease/ (Increase) in other non current assets	-	3,08,94,336
Decrease/ (Increase) in trade receivables	84,81,633	(84,81,633)
Decrease/ (Increase) in loans and advances	79,40,498	(59,31,429)
Decrease/ (Increase) in other current financial assets	(81,30,912)	(4,50,57,122)
Decrease/ (Increase) in other current assets	(49,80,800)	(31,231)
Increase/ (Decrease) in other financial liabilities	9,67,19,774	1,52,98,239
Increase/ (Decrease) in other current liabilities & provisions	(36,17,81,099)	28,27,83,444
Cash flow from/ used in operations	**18,10,05,538**	**(50,77,33,504)**
Direct taxes paid/ refund received	(3,79,90,166)	4,03,587
Net cash flow from/ used in operating activities	**14,30,15,372**	**(50,73,29,917)**
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(1,80,299)	(1,30,398)
Purchase of intangible assets	-	(1,38,384)
Interest received	93,70,768	32,35,220
Net cash flow from investing activities	**91,90,469**	**29,66,438**
C. Cash flow from financing activities		
Proceeds from borrowings	25,94,61,508	45,85,77,175
Issue of equity share capital	8,81,68,850	17,26,06,270
Dividend paid	(9,27,00,281)	-
Tax on Dividend	(1,88,71,596)	-
Interest paid	(18,35,16,455)	(15,00,12,271)
Net cash flow from financing activities	**5,25,42,026**	**48,11,71,174**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	20,47,47,867	(2,31,92,305)
Cash and cash equivalents at the beginning of the period	2,13,04,673	4,39,96,979
Cash and cash equivalents at the end of the period	**22,60,52,540**	**2,08,04,674**

G.D. PANDIT & CO. Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

Components of cash and cash equivalents		
Cash in hand		
Balances with scheduled banks:		
On current accounts	19,98,89,560	1,33,36,510
On deposit accounts	2,61,62,980	74,68,164
Cash and cash equivalents in Cash Flow Statement:	**22,60,52,540**	**2,08,04,674**

Note: Cash and cash equivalents at the beginning of the period on 01 April 2016 includes Rs. 5,00,000/- i.e. Fixed Deposit kept with Axis Bank against Bank Gaurantee.

See accompanying notes to the financial statements 1-34

In terms of our report attached

For G.D. Pandit & Co
ICAI firm registration number:000167N
Chartered Accountants

CA Vinod Goyal
Partner
Membership No:083701

Place Gurgaon
Date 22/06/2017

For and on behalf of the Board

Haziq Beg
Director
DIN: 00063364

S C Misra
Director
DIN:02131665

Sandip Rai
Company Secretary & CFO

Place Gurgaon
Date 23/06/2017

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

NOTES FORMING PART OF FINANCIAL STATEMENT

Statement of changes in equity

Statement of changes in equity for the year ended March 31, 2017

	Share capital	Share application money	Retained earnings	Total shareholders equity
	INR	INR	INR	INR
Opening balance as at April 01, 2016	**39,69,26,270**	-	**18,76,13,768**	**58,45,40,038**
Share application money received during the year	-	8,81,68,850	-	8,81,68,850
Issue of share capital	8,81,68,850	(8,81,68,850)	-	-
Profit/ (loss) for the period	-	-	17,64,86,041	17,64,86,041
Balance as at March 31, 2017	**48,50,95,120**	-	**36,40,99,810**	**84,91,94,930**

Statement of changes in equity for the year ended March 31, 2016

	Share capital	Share application money	Retained earnings	Total shareholders equity
	INR	INR	INR	INR
Opening balance as at April 01, 2015	**19,00,00,000**	**3,43,20,000**	**4,44,39,184**	**26,87,59,184**
Share application money received during the year	-	17,26,06,270	-	17,26,06,270
Issue of share capital	20,69,26,270	(20,69,26,270)	-	-
Profit/ (loss) for the year	-	-	14,31,74,584	14,31,74,584
Balance as at March 31, 2016	**39,69,26,270**	-	**18,76,13,768**	**58,45,40,038**

Statement of changes in equity for the year ended March 31, 2015

	Share capital	Share application money	Retained earnings	Total shareholders equity
	INR	INR	INR	INR
Opening balance as at April 01, 2014	**19,00,00,000**	-	-	**19,00,00,000**
Profit/ (loss) for the year	-	-	4,44,39,184	4,44,39,184
Share application money received during the year	-	3,43,20,000	-	3,43,20,000
Balance as at March 31, 2015	**19,00,00,000**	**3,43,20,000**	**4,44,39,184**	**26,87,59,184**

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CROSS BORDER POWER TRANSMISSION COMPANY LTD. *

NOTES FORMING PART OF FINANCIAL STATEMENT

1. Corporate information

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 10, Community Center, 2nd Floor, East of Kailash, New Delhi-110065.

The Company is principally engaged in establishment, operation & maintenance and transfer of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Dhalkebar.

2. Significant accounting policies

2.1 Basis of preparation

i) Compliance with Ind AS
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act.

For all the periods upto and including the year ended March 31, 2015, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2016 are the first which the Company has prepared in accordance with Ind AS.

ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii) Functional and presentation currency
The financial statements are presented in Indian Rupees (Rupees or ₹), which is Company's functional currency and all the values are rounded to the nearest Rupee, except when otherwise indicated.

iv) Use of estimates
The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses & cash flows during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

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CROSS BORDER POWER TRANSMISSION COMPANY LTD.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (Rupees or ₹).

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

c. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue relating to construction services under a service concession arrangement is recognised based on stage of completion of the wok performed. Operation or service revenue is recognised in the period in which the services are provided by the Company. When the Company provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

The transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulations.

Surcharge recoverable from trade receivable are recognised when no significant uncertainty as to measurability and collectability exists.

Scraps are accounted for as and when sold

Dividend income is recognised when right to receive payment is established.

e. Service Concession Arrangement (SCA)

The Company has entered into service concession agreement under public-to-private Service Concession Arrangement (SCA) to construct, operate and maintain infrastructural facilities. Under SCA, the Company recognises Intangible Assets and Financial Assets depending on the terms of Concession granted by the Concessionaire. Further, revenue recognition also requires estimation of construction margin, overlay expenses and operations & maintenance costs. Under SCA, where the Company has received the right to charge users of the public service, such rights are recognised and classified as Intangible Assets. Where the Company has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as Financial Assets. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are measured at amortised cost.

If the Company is paid for construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration.

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CROSS BORDER POWER TRANSMISSION COMPANY LTD.

f. Receivable Under SCA

Under a SCA, where the Company has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangement". The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which are estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs. The cash flow from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA. The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the "Receivable against Service Concession Arrangement".

g. Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

h. Property, plant and equipment

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101.

Property, Plant and Equipment are initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

After initial recognition, Property, Plant and Equipment are carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

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CROSS BORDER POWER TRANSMISSION COMPANY

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income statement when the asset is derecognised.

Spare parts whose cost is ₹.5,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

i. Depreciation/Amortisation

Mobile phones & iphone/tablets are charged off in the year of purchase.

All assets provided to employees are amortized over a period of 3 years, except mobile phones & iphone/tablets.

Fixed Assets costing ₹. 5,000/- or less, are fully depreciated in the year of acquisition.

Cost of software capitalized as intangible assets is amortized over the period of legal right to use or 4 years, whichever is less with nil residual value.

j. Intangible assets

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

k. Borrowing costs

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

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

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CROSS BORDER POWER TRANSMISSION COMPANY

m. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

n. Retirement and other employee benefits

Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit & Loss. The same is paid to a fund and administered through a separate trust.

The liability for Gratuity, ascertained annually on actuarial valuation at the year end, is provided and funded separately.

The liabilities for compensated absences, leave encashment, post -retirement medical benefits, settlement allowance and long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.

Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit & Loss in the year in which the related services are rendered.

Re-measurements pertaining to defined benefit obligations are recognised immediately in the other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

o. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of

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CROSS BORDER POWER TRANSMISSION COMPANY LTD.

assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if

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CROSS BORDER POWER TRANSMISSION COMPANY LTD.

doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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CROSS BORDER POWER TRANSMISSION COMPANY LTD.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within cquity. All other changes in fair valuc of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss statement.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

De- recognition

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

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CROSS BORDER POWER TRANSMISSION COMPANY LTD.

recognised in the statement of profit or loss.

Offsetting of financial instruments

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

p. Cash and cash equivalents

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

q. Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

r. Cash Flow statement

Cash flow statement is prepared as per indirect method prescribed in the relevant accounting standard

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CROSS BORDER POWER TRANSMISSION COMPANY LTD. *

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

NOTES FORMING PART OF FINANCIAL STATEMENT

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note 3A: Property, plant and equipment			
Cost or valuation			
At 1st April	4,37,098	3,06,700	49,500
Additions	1,80,299	1,30,398	2,57,200
Disposals		-	-
At 31st March	6,17,397	4,37,098	3,06,700
Depreciation and Impairment			
At 1st April	2,24,937	91,251	12,380
Depreciation charges for the year	1,89,617	1,33,686	78,871
Impairments		-	-
Disposals		-	-
At 31st March	4,14,554	2,24,937	91,251
Net book value			
At 31st March	**2,02,843**	**2,12,161**	**2,15,449**
Note 3B: Other intangible assets			
Computer software/ right of way			
Cost or valuation			
At 1st April	1,38,384	-	-
Additions	-	1,38,384	-
Disposals		-	-
At 31st March	1,38,384	1,38,384	-
Depreciation and Impairment			
At 1st April	30,805	-	-
Depreciation charges for the year	34,596	30,805	-
Impairments		-	-
Disposals		-	-
At 31st March	65,401	30,805	-
Net book value			
At 31st March	**72,983**	**1,07,579**	-
Note 4: Service Concession Agreement			
Non-Current			
Service Concession Agreement	2,09,97,49,668	2,21,62,18,426	1,48,82,58,102
			-
Total	**2,09,97,49,668**	**2,21,62,18,426**	**1,48,82,58,102**
Current			
Service Concession Agreement	44,46,55,059	42,00,86,804	4,40,55,101
Total	**44,46,55,059**	**42,00,86,804**	**4,40,55,101**

G.D. PANDIT & CO. Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

18

Note 5 : Other non current assets

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(i) Capital advances			
Unsecured, considered good	-	-	3,08,94,336
Doubtful		-	-
	-	-	3,08,94,336
Less: Provision for doubtful capital advances			-
Total	**-**	**-**	**3,08,94,336**
(ii) Deferred receivables			
Unsecured, considered good		-	-
Doubtful		-	-
	-	-	-
Less: Provision for doubtful receivables			-
		-	-
Total	**-**	**-**	**3,08,94,336**

Note 6 : Trade receivables

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		-	-
Doubtful		-	-
Less: Provision for doubtful receivables		-	-
	-	-	-
		-	-
Other receivables	-		
Unsecured, considered good		84,81,633	-
Total		**84,81,633**	**-**

Note 7: Cash and cash equivalents

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
In current account	19,98,89,560	1,33,36,510	94,76,979
In deposit account	2,61,62,980	74,68,164	3,43,20,000
Cheque in hand		-	2,00,000
	22,60,52,540	2,08,04,674	4,39,96,979
Other bank balances			
Margin Money deposit (under lien)	-	5,00,000	5,00,000
Total	**22,60,52,540**	**2,13,04,674**	**4,44,96,979**

Note: Fixed deposit of Rs. 5,00,000/- is kept with Axis Bank for issuance of Bank Gaurantee, Bank Gaurantee is expired

Note 7 (i) Disclosure on Specified bank Notes (SBN's)

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand on November 08, 2016	-		-
	-	-	-
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: amount deposited in banks	-	-	-
	-	-	-
Closing cash held as on December 30, 2016	-	-	-

	As at 31 March 2017	As at 31 March 2016	As a 1 April 201
Note 8: Loans and advances			
(a) Loan and advances to related parties			
Unsecured, considered good	44,46,408	1,23,86,905	64,55,47
Mat credit entilement	4,49,18,661	-	-
Total	**4,93,65,069**	**1,23,86,905**	**64,55,47**

Note 9: Other financial assets			
Unbilled Revenue	5,33,21,743	4,51,74,561	-
Compensation recoverable from subsidiaries		-	-
Interest accrued on bank deposits		16,270	1,33,70
Total	**5,33,21,743**	**4,51,90,831**	**1,33,70**

Note 10: Other current assets			
Loans to related parties			
Unsecured, considered good (advance to POWERGRID under an agreement of O&M- as revolving fund)	50,00,000	-	-
Doubtful		-	-
	50,00,000	-	-
Less: Provision for doubtful loans and advances to related parties			-
	50,00,000	**-**	**-**
Advances recoverable in cash or kind			
Unsecured, considered good	1,90,927	1,90,927	1,90,92
Doubtful		-	-
	1,90,927	1,90,927	1,90,92
Less: Provision for doubtful advances recoverable in cash or kind			-
	1,90,927	**1,90,927**	**1,90,92**
Other loans and advances			
(Unsecured, considered good)			
Advance tax, including taxes deducted at source (net of provision for taxation)		-	10,44,57
Prepaid expenses	76,677	65,877	64,64
Ancillary cost of arranging the borrowings		-	-
Balance with statutory authorities		-	-
	76,677	**65,877**	**11,09,224**
			-
Total	**52,67,604**	**2,56,804**	**13,00,151**

G.D. PANDIT & CO. Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY LTD

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note 11A: Equity share capital			
Authorised shares			
Equity shares of Rs.10 each	75,00,00,000	75,00,00,000	75,00,00,000
Total	75,00,00,000	75,00,00,000	75,00,00,000
Issued, subscribed and fully paid up			
Equity shares of Rs.10 each fully paid	48,50,95,120	39,69,26,270	1,90,00,000
Total	48,50,95,120	39,69,26,270	1,90,00,000

Reconciliation of shares outstanding at the beginning and at the end for the reporting year

Equity shares

	31-Mar-17		31-Mar-16		31-Mar-15	
	No.	(Rupees)	No.	(Rupees)	No.	(Rupees)
At the beginning of the year	3,96,92,627	39,69,26,270	1,90,00,000	19,00,00,000	1,90,00,000	19,00,00,000
Issued during the year	88,16,885	8,81,68,850	2,06,92,627	20,69,26,270	-	-
Outstanding at the end of the period	4,85,09,512	48,50,95,120	3,96,92,627	39,69,26,270	1,90,00,000	19,00,00,000

Terms/ rights attached to Equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

	31-Mar-17		31-Mar-16		31-Mar-15	
	No.	% holding in the class	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs. 10 each fully paid						
IL&FS Energy Development Company Limited	1,84,33,609	38%	1,50,85,994	38%	72,19,994	38%
Power Grid Corporation of India Limited	1,26,12,473	26%	1,03,22,000	26%	49,40,000	26%
SJVN Limited	1,26,12,473	26%	1,03,22,000	26%	49,40,000	26%
Nepal Electricity Authority	48,50,951	10%	39,62,627	10%	19,00,000	10%

Note: As per records of the Company, the above shareholding represents legal ownership of shares.

Note 11B: Other Equity			
Reserves and Surplus			
(Deficit) in the statement of profit and loss	-	-	-
Balance as per last financial statements	18,76,13,768	4,44,39,184	4,40,96,768
Profit/(Loss) for the year	17,64,86,041	14,31,74,584	3,42,416
Total appropriations	36,40,99,809	18,76,13,768	4,44,39,184
Less:			
Dividend Payment	9,27,00,281		
Tax on Dividend	1,88,71,596		
Net (deficit) in the statement of profit and loss	25,25,27,932	18,76,13,768	4,44,39,184
Total Other Equity	25,25,27,932	18,76,13,768	4,44,39,184
Note 12: Long Term Borrowings			
(a) Long term loan	1,72,74,19,444	1,46,79,57,936	1,06,00,00,000
	1,72,74,19,444	1,46,79,57,936	1,06,00,00,000
The above amount includes			
Secured borrowings	1,72,74,19,444	1,46,79,57,936	1,06,00,00,000
Total	1,72,74,19,444	1,46,79,57,936	1,06,00,00,000

Note

i. All long term borrowings are sanctioned through Power Finance Corporation of India Ltd. (PFC) for amount of Rs. 2,07,09,00,000/- Crore, and disbursed Rs. 1,91,37,73,105/- as at 31st March, 2017.

ii. Long term borrowings are secured by first pari passu charge on all fixed assets of the Company including lease hold rights of the Land, hypothecation of all movable assets, first charge on current assets of the Company including book debts and stock.

iii. Interest rate applicable as notified by PFC i.e. 12% to 11.25% and with 25 bps rebate (on timely payments) current effective interest rate shall be 11% (11.25% - 0.25%). However, from 17th November 2016, the effective rate of interest toward term loan is 9.95% p.a (net of 0.25% rebate).

iv. The loan shall be repayable in 60 equal quarterly installments, the first repayment started from 01st September 2016 and repayment of Rs.5,83,96,667 i.e 291,98,333 per quarter for two quarter.

v. Rs.12,79,56,996/- is payable as repayment for the FY 2017-18 and therefore reclassified at short term borrowing

	As at 31 March 2017	As at 31 March 2016	As at 1 April 201[illegible]
Note 13: Other financial liabilities			
(a) Current maturities of long term debt	12,79,56,996	5,06,19,239	-
(b) Current maturities of finance lease obligations		-	-
(c) Interest accrued but not due on borrowings	3,75,74,821	3,66,13,906	2,13,74,31[illegible]
(d) Interest accrued and due on borrowings		-	-
(e) Unpaid Dividend	1,88,71,596		
(f) Premium on redemption of debentures		-	-
(g) Revenue share payable under collaboration agreement		-	-
(h) Excess amount received from customers		-	-
(i) Claims and compensation payable		-	-
(j) Expenses payable		4,50,493	1,91,84[illegible]
(k) Security deposits		-	2,00,00[illegible]
Total	**18,44,03,412**	**8,76,83,638**	**2,17,66,16[illegible]**

Note:

The Company has declared Interim Dividned at 54th Board Meeting held On 24th March 2017

The Company Declared Interim Dividend of Rs. 9,27,00,281/- to equity shareholder holding 48509512 equity shares

Particulars	Rs
Distributable amount of Dividend	11,15,71,877
Less: Divididend Distribution Tax @ 15% on Net Dividend	1,63,58,873
Less: Surcharge @ 12%	19,63,065
Less: Cess @ 3%	5,49,658
Total Tax on Dividend	1,88,71,596
Dividend Payable	**9,27,00,281**

Note 14: Other current liabilities			
(a)Tax on Interim dividend	9,27,00,281	-	-
(b) Statutory dues payable (TDS & PF)	5,93,005	25,21,751	73,31,47[illegible]
(c)Payable against Operating Expenses	1,09,14,180	15,57,29,785	16,44,04,40[illegible]
(d) Payable against Capital expenditure	6,86,30,060	37,63,84,436	8,13,15,61[illegible]
Total	**17,28,37,526**	**53,46,35,972**	**25,30,51,50[illegible]**

Note 15: Provisions			
Non Current			
Provision for employee benefit			
- Compensated absences	7,08,926	1,85,910	-
- Gratuity	4,55,003	1,52,612	-
	11,63,929	**3,38,522**	-
Provision for tax (net of advance tax)	1,16,64,396	47,35,901	-
	1,28,28,325	**50,74,423**	-
Current			
Provision for employee benefit			
- Compensated absences	52,286	5,64,170	
- Gratuity	104	2,96,280	
	52,390	**8,60,450**	-
Total	**1,28,80,715**	**59,34,873**	-

PANDIT & CO. Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED

10, COMMUNITY CENTER, 2ND FLOOR

EAST OF KAILASH, NEW DELHI - 110065

NOTES FORMING PART OF FINANCIAL STATEMENT

	Year Ended 31 March 2017	Year Ended 31 March 2016
Note 16: Revenue from operations		
Transmission service charges	5,60,37,786	96,01,092
Income from construction contract	-	95,29,06,530
Total	**5,60,37,786**	**96,25,07,622**
Note 17: Other income		
Profit on sale of assets	-	6,311
Total	**-**	**6,311**
Note 18: Finance income		
Interest income on Service Concession Agreement	34,64,60,666	19,51,40,598
Interest on bank deposits	93,70,768	17,70,521
Interest income - others	6,11,297	14,64,699
Total	**35,64,42,731**	**19,83,75,818**
Note 19: Employee benefits expenses		
Deputation cost	1,01,41,244	1,07,47,216
Salary	16,78,606	
Contribution to provident and other funds	78,921	
Staff welfare expenses	84,302	
Leave Salary & Gratuity Expenses	17,347	11,98,972
Total	**1,20,00,420**	**1,19,46,188**
Note 20: Finance cost		
Interest expense on term loan	18,35,16,455	15,00,12,271
Total	**18,35,16,455**	**15,00,12,271**
Note 21: Transmission, administration and other expenses		
Rates and taxes	5,67,706	6,99,530
Compensation	-	12,27,97,405
Operation and maintenance	1,77,91,850	19,82,950
Filling Fees	14,900	20,996
Legal and professional expenses	15,37,888	21,26,18,633
Business promotion expenses	16,14,554	3,18,384
Office maintenance expense	39,93,496	33,15,216
Travel and conveyance	21,70,470	28,28,414
Audit fee	46,200	50,744
Insurance expenses	1,33,090	7,973
Management Advisory Services	1,09,25,000	-
Miscellaneous expenses	14,58,234	22,24,461
Total	**4,02,53,388**	**34,68,64,706**

G.D. PANDIT & CO. Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

COMPUTATION FOR THE YEAR ENDED MARCH 31, 2017

Note No 22: **Calculation of Current Tax for the AY 2017-18**

Computation of Income from Business & Profession	Rs.
Profit Before Tax as per books of Accounts	17,64,86,041
Add: Depriciation as per Books	2,24,213
Less: Depriciation as per Income Tax Act 1961	34,97,06,412
Loss of Income	(17,29,96,158)

There is Business Loss as per Income Tax Act, therefore tax has to paid as per provisions of MAT u/c 115JB

Calculation of MAT for the AY 2017-18	Rs.
Book Profit for the assessment year 2017-18	17,64,86,041
Add: Book Profit due to Adoption of IND AS (Please note ammendment in section 115JB of Income Tax Act, 1961)	3,39,88,624
Total Book Profit for calculation of MAT for the AY 2017-18	**21,04,74,665**
MAT @ 18.5 %	3,89,37,813
Surcharge @ 12 %	46,72,538
Edu. Cess @ 3 %	13,08,311
Total Tax for the AY 2017-18	**4,49,18,661**

Note:

In the first year of adoption of Ind AS, the companies would prepare Ind AS financial statement for reporting year with a comparative financial statement for immediately preceding year. As per Ind AS 101, companies would make all Ind AS adjustments on the opening date of the comparative financial year. The entity is also required to present an equity reconciliation between previous Indian GAAP and Ind AS amounts, both on the opening date of preceding year as well as on the closing date of the preceding year. It is proposed that for the purposes of computation of book profit of the year of adoption and the proposed adjustments, the amounts adjusted as of the opening date of the first year of adoption shall be considered. For example, companies which adopt Ind AS with effect from 1 April 2016 are required to prepare their financial statements for the fianncial year 2016-17 as per requirements of Ind AS. Such companies are also required to prepare an opening balance sheet as of 01-04-2015 and restate the financial statements for the comparative period 2015-16. In such a case, the first time adoption adjustments as of 31 March 2016 shall be considered for computation of MAT liability for previous year 2016-17 (Assessment year 2017-18) and thereafter. Further, in this case, the period of five years proposed above shall be previous years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. As the Ind-AS is required to be adopted by certain companies for financial year 2016-17 mandatorily, these amendments will take effect from 1st April, 2017 and will, accordingly, apply in relation to the assessment year 2017-18 and subsequent assessment years.

Impact at Retained Earning Due to First Time Adoption of IND AS	As per IGAAP (2006)	As per IND AS	Change in Retained Earning
Retained Eearning as on March 31st, 2016	1,76,70,650	18,76,13,768	16,99,43,118

As per Finance Bill, 2017, all other adjustment in reserve and surpuls (exclusing capital reserve and securities premium reserve) as referred to in Division II of Schedule III of Companies Act, 2013 and which would otherwise never subsequently be reclassified to the profit anad loss account, shall be included in the book profit, equally over a period of five years starting from the year of first time adoption of Ind AS.

Therefore, Rs.16,99,43,118 will be added to Book Profit in five years i.e Rs. 339,88,624/- will be added to the Book Profit of the FY 2016-17, 2017-18. 2018-19. 2019-20 & 2020-21.

CROSS BORDER POWER TRANSMISSION COMPANY LTD. *

G.D. PANDIT & CO. * Chartered Accountants *

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

NOTES FORMING PART OF FINANCIAL STATEMENT

Note 23

There are no Micro, Small and Medium Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at the date of the financial statements. This information is required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 24

In the opinion of the Directors of the Company and to the best of their knowledge and belief, the value on realisation of current assets, loans & advances in the ordinary course of business would not be less then the amount at which they are stated in the Financial Statement.

Note 25 :Contingent liabilities and commitments

There is NIL contingent liabilities and commitments as on Balance Sheet Date.

25 (i) **Contingent Liabilities**

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 31-Mar-2015
Claim against the Company not acknowledged as debts	NIL	NIL	NIL

25 (ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL	Rs.43,19,26,532 Rs.3,08,94,336 (Net of Advance)
Bank Guarantee given	NIL*	Rs.5,00,000	Rs.5,00,000

* Bank Guarantee provided to Commercial Tax Department has been expired

25(iii) There are some court cases for which monetary estimation is not possible, details mentioned below:

S.No	Name of Petitioner/ Nature of Case/Location of Court/ case no	Status as on 31-Mar-2017
1	Gopal Prasad Sahi/Civil/Patna High Court/CWJC 6046/2015	Case Disposed off with certain direction. Compensation paid. MJC (contempt) is pending for hearing. New WRIT application filed against DM order.
2	Ganesh kumar/Civil/Patna High Court/CWJC21504/2014	Hearing pending.
3	Manju Singh/Civil/CWJC19686/2015	Hearing pending.
4	Md. Salamat & others/Civil/Patna High Court/CWJC12234/2015	Hearing pending.
5	Krishna Kanti Sah/Criminal/Patna High Court/904/2015	Hearing pending.
6	Surendra Sah/Civil/Patna High Court/CWJC957/2017	Pending for admission.

Note 26 : Auditor's Remuneration

	Year ended 31-Mar-2017 (Rupees)	Year ended 31-Mar-2016 (Rupees)
Auditors Remuneration		
For Audit Fees (Excluding service tax)	40,000	40,000

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

NOTES FORMING PART OF FINANCIAL STATEMENT

Note 27

The Company has prepared the opening balance sheet as per Ind AS as of 1 April, 2015 (the transition date) by recognising all the assets and liabilities whose recognisation is required by Ind AS, not recognising items of asstes or liabilitie are not permitted by Ind As, be reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

Note 27 (i)

Effect of IND AS adoption on the financial statements as at 31.03.2016 and 01.04.2015

Particulars	Note	Indian GAAP	GAAP Adjustments		Ind AS	Indian GAAP	GAAP Adjustments		Ind
ASSETS		31 March 2016	Reclassification	Remeasurement	31 March 2016	1 April 2015	Reclassification	Remeasurement	1 April 2(
(1) Non-current assets									
(a) Property, plant and equipment	i	2,25,22,49,620	-	(2,25,20,37,459)	2,12,161	2,15,449	-	-	2,15,4
(b) Capital work-in-progress	i	-	-	-	-	1,47,23,17,375	-	(1,47,23,17,375)	-
(c) Other intangible assets	i	16,21,61,850	-	(16,20,54,271)	1,07,579	-	-	-	-
(d) Financial assets									-
(i) Service concession agreeement	i	-	-	2,21,62,18,426	2,21,62,18,426	-	-	1,48,82,58,102	1,48,82,58,1
(e) Other non-current assets		-	-	-	-	3,08,94,336	-	-	3,08,94,3
		2,41,44,11,470	-	**(19,78,73,304)**	**2,21,65,38,166**	**1,50,34,27,160**	-	**1,59,40,727**	**1,51,93,67,8**
(2) Current assets									
(a) Financial assets									
(i) Trade receivables	ii	1,60,29,683	-	(75,48,050)	84,81,633	-	-	-	-
(ii) Cash and cash equivalent	iii	2,07,62,785	41,889	-	2,08,04,674	4,39,96,979	-	-	4,39,96,9
(iii) Other bank balances	iii	5,41,889	(41,889)	-	5,00,000	5,00,000	-	-	5,00,0
(iv) Loans and advances		1,23,86,905	-	-	1,23,86,905	64,55,476	-	-	64,55,4
(v) Service concession agreement	i	-		42,00,86,804	42,00,86,804				
(vi) Other financial assets		4,51,90,831	-		4,51,90,831	1,33,709	-	4,40,55,101	4,41,88,8
(b) Other current assets		2,86,804	-	-	2,86,804	13,00,151	-	-	13,00,1
		9,51,98,897	-	**41,25,38,754**	**50,77,37,651**	**5,23,86,315**	-	**4,40,55,101**	**9,64,41,4**
TOTAL ASSETS		**2,50,96,10,367**	-	**21,46,65,450**	**2,72,42,75,817**	**1,55,58,13,475**	-	**5,99,95,829**	**1,61,58,09,3**
EQUITY AND LIABILITIES									
Equity									
(a) Equity Share capital		39,69,26,270			39,69,26,270	19,00,00,000			19,00,00,0
(b) Other Equity									
(i) Retained Earnings		1,76,70,650	-	16,99,43,118	18,76,13,768	(33,24,185)	-	4,77,63,369	4,44,39,1
(ii) Share application money		-			-	3,43,20,000			3,43,20,0
Total Equity		**41,45,96,920**	-	**16,99,43,118**	**58,45,40,038**	**22,09,95,815**	-	**4,77,63,369**	**26,87,59,1**
LIABILITIES									
(1) Non-current liabilities									
(a) Financial Liabilities									
(i) Borrowings		1,46,79,57,936	-	-	1,46,79,57,936	1,06,00,00,000	-	-	1,06,00,00,0
(ii) Other financial liabilities					-		-	-	-
(b) Provisions	iv			50,74,423	50,74,423				-
(c) Deferred tax liabilities (Net)		-		4,35,23,360	4,35,23,360	-		1,22,32,459	1,22,32,4
(2) Current liabilities									
(a) Financial Liabilities									
(i) Trade payables		53,21,14,221	-	-	53,21,14,221	24,57,20,021	-	-	24,57,20,0
(ii) Other financial liabilities		8,76,83,638	-	-	8,76,83,638	2,17,66,160	-	-	2,17,66,1
(b) Other current liabilities		25,21,751	-	-	25,21,751	73,31,479	-	-	73,31,4
(c) Provisions	iv	47,35,901	-	(38,75,451)	8,60,450	-	-	-	-
Total Liabilities		**2,09,50,13,447**	-	**4,47,22,332**	**2,13,97,35,779**	**1,33,48,17,660**	-	**1,22,32,459**	**1,34,70,50,1**
TOTAL EQUITY AND LIABILITIES		**2,50,96,10,367**	-	**21,46,65,450**	**2,72,42,75,817**	**1,55,58,13,475**	-	**5,99,95,829**	**1,61,58,09,3**

G.D. PANDIT & CO.

CROSS BORDER POWER TRANSMISSION COMPANY LTD

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI - 110065

NOTES FORMING PART OF FINANCIAL STATEMENT

Note 27 (ii) **Effect of IND AS adoption on statement of Profit & Loss for the Year Ended 31.03.2016**

		Indian GAAP	GAAP Adjustments		Ind AS
		31 March 2016	Reclassification	Remeasurement	31 March 2016
Continuing operations					
Revenue from operations	v	6,12,04,244	-	90,13,03,378	96,25,07,622
Other income		6,311	-	-	6,311
Finance income	v	15,59,828	-	19,68,15,990	19,83,75,818
Total income		**6,27,70,383**	**-**	**1,09,81,19,368**	**1,16,08,89,751**
Expenses					
Cost of construction	vi	-		47,20,59,719	47,20,59,719
Employee benefit expenses	vi	11,17,007	-	96,30,209	1,07,47,216
Depreciation and amortisation expense	vii	1,12,96,666	-	(1,11,32,175)	1,64,491
Finance cost	vi	2,01,24,887	-	12,99,01,793	15,00,26,680
Other expenses	vi	38,60,096	-	34,29,90,201	34,68,50,297
Total expense		**3,63,98,656**	**-**	**94,34,49,747**	**97,98,48,403**
Profit/ loss before tax from continuing operations		**2,63,71,728**	**-**	**15,46,69,621**	**18,10,41,349**
Current tax		53,76,892			53,76,892
Deferred tax	viii	-		3,15,35,357	3,15,35,357
Income tax expense		**53,76,892**	**-**	**3,15,35,357**	**3,69,12,249**
Profit/ (loss) for the year		**2,09,94,836**	**-**	**12,31,34,264**	**14,41,29,100**
Other comprehensive income					
Exchange differences on translation of foreign operations		-			-
Total comprehensive income/ (loss) for the year, net of tax		**2,09,94,836**	**-**	**12,31,34,264**	**14,41,29,100**

Note 27 (iii) Reconciliation statement

a) Reconciliation of equity and reserve as at 31.03.2016 and 01.04.2015

Particulars	Note ref	As at 31.03.2016	As at 01.04.2015
Equity and Reserve under previous GAAP		41,45,96,920	22,09,95,815
Remeasurement and Recognition of Service concession receivable & De-recognition of Fixed Asstes & Capital Work in Progress	i	22,22,13,500	4,77,63,369
Remeasurement /reclassification of Trade Receivable and Prior Period Items	ii	(75,48,050)	
Recognition of Provisions	iv	(4,47,22,332)	
Adjusted Equity and Reserve under Ind AS		58,45,40,038	26,87,59,184

G.D. PANDIT & CO. CHARTERED ACCOUNTANTS

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED

10, COMMUNITY CENTER, 2ND FLOOR

EAST OF KAILASH, NEW DELHI - 110065

NOTES FORMING PART OF FINANCIAL STATEMENT

b) Reconciliation of Statement of Profit and Loss for the period ended 31.03.2016

Particulars	Note ref	Year Ended
Profit as per previous GAAP		2,09,94,836
Remeasurement of revenue from operation and finance income	v	1,09,81,19,368
Remeasurement of expenses	vi	(94,34,49,747)
Remeasurement of deferred tax	vii	(3,15,35,357)
Adjusted profit as per Ind AS		14,41,29,100

c) Effect of Ind AS adoption on the statement of cash flow for the year ended 31.03.2016

	Previous	Effect of trasition to	As per
Net Cash Flow from operating activities	(59,90,616)	(50,13,39,301)	(50,73,29,917)
Net Cash Flow from investing activities	(64,84,27,023)	65,13,93,461	29,66,438
Net Cash Flow from financing activities	63,11,83,445	(15,00,12,271)	48,11,71,174
Net Decrease in cash and cash equivalents	(2,32,34,194)	41,889	(2,31,92,305)
Cash and Cash equivalents at the beginning of the period	4,39,96,979	-	4,39,96,979
Cash and Cash equivalents at the end of the period	2,07,62,785	41,889	2,08,04,674

Note: Interest on margin money of Rs. 41,889/- classified as deposit with bank

Analysis of cash and cash equivalent as at 31.03.2016 and as at 01.04.2015 for the purpose of statement of cash flow under Ind As

	As at 31.03.2016	As at 31.03.2015
Cash and Cash equivalent for the purposes of statement of cash flow as per previous GAAP	2,07,62,785	4,39,96,979
Cash and Cash equivalent for the purposes of statement of cash flow as per Ind AS	2,08,04,674	4,44,96,979
Change due to regrouping of interest on margin money deposited to bank as bank deposit	41,889	-

G.D. PANDIT & CO. Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

Note 27 (iv)

Notes to the reconciliation and reclassification

S.No	Particulars
i.	**Property, Plant and Equipment** Under GAAP (2006), assets are classified as tangible and intangible assets. The advance given for purchasing the capital assets are classified as capital advance, similarly if any assets are under progress, that is classified as capital work in progress. Under IND AS, all the tangible and intangible assets are reclassified as service concession receivable when the amount of the arrangement consideration for the provision of public service is substantially fixed by a contract. The Company has entered into the Implementation & Transmission Service Agreement (ITSA) with Nepal Electricity Authority on December 13, 2011. The ITSA was agreed to setup the Project on Build, Own, and Operate & Transfer (BOOT) basis for the purpose of selling all the Project's available capacity exclusively to NEA. Therefore, with reference of below mentioned analysis, the arrangement will be considered as within the scope of Service Concession Arrangement (SCA). Due to this, all the tangible, intangible, capital advance and capital work in progress have been reclassified as Service Concession Receivables.

Common features of Service Concession Arrangement	Analysis
a) The party that grants the service arrangement (the grantor), is a public sector entity, including a governmental body, or a private sector entity to which the responsibility for the service has been devolved.	Yes, NEA is a public sector entity and is ultimately responsible for the service
b) The operator is responsible for at least some of the management of the infrastructure and related services and does not merely act as an agent on behalf of the grantor	Yes, CPTC is responsible for operation and maintenance of Transmission Line Project (TLP) for 25 years
c) The contract sets the initial prices to be levied by the operator and regulates price revisions over the period of the service arrangement.	Yes, the transmission service charges receivable over the contract period of 25 years are defined in the contract
d) the operator is obliged to hand over the infrastructure to the grantor in a specified condition at the end of the period of the arrangement, for little or no incremental consideration, irrespective of which party initially financed it.	Yes, as per the terms of the contract, TLP would be handed over to NEA after 25 years at Re. 1.

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CROSS BORDER POWER TRANSMISSION COMPANY LTD. *

Paragraph 5 of Appendix A specifies that infrastructure is within the scope of the Appendix when the following conditions apply:	
a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and	Yes, in the present case in NEA regulates the services to be provided by CPTC and price is also fixed.
b) the grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.	Yes, as per the terms of the contract, TLP would be handed over to NEA after 25 years at Re 1.

Accounting treatment

Treatment of the operator's rights over the infrastructure
Infrastructure within the scope of Appendix A of Ind-As 11, shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.

Recognition and measurement of arrangement consideration
Under the terms of contractual arrangements within the scope of this Appendix, the operator acts as a service provider. The operator constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. The operator shall recognise and measure revenue in accordance with Ind AS 11 and Ind AS 18 for the services it performs. If the operator performs more than one service (i.e. construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable. The nature of the consideration determines its subsequent accounting treatment.

S. No	Particulars
ii.	**Trade receivables** Annual Transmission Service Charges (ATSC) for the FY 2015-16 has been received and therefore Credit Note has been issued to Nepal Electricity Authority. As per GAAP (2006), this is treated as Prior Period Item, but as per IND AS, rectification will be done at the period the item corresponds to.

Particulars	Month	Component	As at Mar 31, 2016	Revised	Credit Note
Receivable- NEA	Feb 2016	TSC	1,52,28,199	1,33,11,845	18,78,027
Unbilled	Mar 2016	TSC	4,29,15,833	3,75,15,200	52,92,621
Receivable- NEA	Feb 2016	Incentive	8,01,484	7,00,623	98,844
Unbilled	Mar 2016	Incentive	22,58,728	19,74,484	2,78,559
		Total	**6,12,04,244**	**5,35,02,152**	**75,48,050**

NOTES FORMING PART OF FINANCIAL STATEMENT

iii. Cash and cash equivalents

As per schedule III of Companies Act, 2013, margin money deposited (under lien) should be shown separately, interest on margin money deposit has also been classified under the same head and therefore identified and reclassified under the head Balance with Bank (in deposit account)

iv. Provisions

Cross Border Power Transmission Company Limited does not have any employee till 31st March 2016. There were person in deputation till that time. Employees were appointed in FY 2016-17 and therefore actuarial valuation for leave of absence and gratuity has been done for both persons in deputation and employee on company's payroll.

Particulars	Current	Non- Current	Total
Gratuity	2,96,280	1,52,612	4,48,892
Leave Salary	5,64,170	1,85,910	7,50,080
Total	8,60,450	3,38,522	11,98,972

v. Finance income

a) Interest Income from Service Concession Agreement is recognised on opening receivable at effective rate of return @ 12.74%

b) Interest on Investment and compensation advance was booked under capital work in progress and thereafter capitalized, with reference of note (i) above, the same is reclassified under other income.

vi Cost of construction, employee benefit expense, finance cost & other Expenses

With reference of note (i) as mentioned above, expense made towards construction of project is expensed off.

vii Depreciation and amortisation expense

With reference of note (i) as mentioned above, assets has been reclassified as service concession receivable, therefore depreciation on those receivables is also reversed.

viii Deferred tax

Difference in profit due to conversion of GAAP (2006) to IND AS causes deferred tax liability

PANDIT & CO.

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED

10, COMMUNITY CENTER, 2ND FLOOR

EAST OF KAILASH, NEW DELHI-110 065

NOTES FORMING PART OF FINANCIAL STATEMENT

28 **Related Party Disclosures**

I As per the Accounting Standard on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the related parties with whom the companies has made the transactions during the period are as follows :

a **Holding Company**

IL&FS Energy Development Company Limited (upto August 10, 2012)

b **Joint Venture Companies having significant influence**

Power Grid Corporation of India Limited

SJVN Limited

IL&FS Energy Development Company Ltd. (from August 11, 2012)

Nepal Electricity Authority

c **Affiliates**

Power Transmission Company Nepal Limited upto August 10, 2012

IL&FS DOC - Project Development Fund upto August 10, 2012

d **Key Managerial Personnel**

-Mr. P N Prasad (CEO) and Mr. Sandip Rai (CFO)

II The nature and volume of transactions during the year/period with the above related parties were as follows:

(Rupees)

	Particulars	Affiliates	JV & significant influence
A	**Transactions during the year/period***		
	Share Capital		
	IL&FS Energy Development Company Limited	-	3,34,76,150
		(-)	(78,66,000)
	SJVN Limited	-	2,29,04,730
		(-)	(53,82,000)
	Power Grid Corporation of India Limited	-	2,29,04,730
		(-)	(53,82,000)
	Nepal Electricity Authority	-	88,83,240
		(-)	(20,62,627)
	Capital Work In Progress		
	IL&FS Energy Development Company Limited		
	Consultancy Fees charged by related party	-	-
	(excluding service tax)	(-)	(65,64,600)
	Deputation Cost	-	-
	(excluding service tax)	(-)	(30,95,212)
	Business Support Service	-	-
	(excluding service tax)	(-)	(23,81,334)
	SJVN Limited		
	Consultancy Fees charged by related party	-	-
	(excluding service tax)	(-)	(33,00,000)
	Deputation Cost	-	-
	(excluding service tax)	(-)	(18,28,776)

Power Grid Corporation of India Limited		
Consultancy Fees charged by related party	-	-
(excluding service tax)	(-)	(3,93,90,000)
Deputation Cost	-	-
(excluding service tax)	(-)	(31,86,885)
Business Support Service	-	-
(excluding service tax)	(-)	(2,28,342)
Operating Expenses		
IL&FS Energy Development Company Limited		
Deputation Cost	-	22,63,994
(excluding service tax)	(-)	(3,25,373)
Business Support Service	-	26,04,000
(excluding service tax)	(-)	(3,07,586)
Management Advisory Services	-	95,00,000
		(-)
SJVN Limited		
Deputation Cost	-	12,25,729
(excluding service tax)	(-)	(2,37,063)
Power Grid Corporation of India Limited		
Deputation Cost	-	42,36,831
(excluding service tax)	(-)	(4,13,115)
Business Support Service	-	2,57,942
(excluding service tax)	(-)	(29,600)
Operation and Maintenance Expenses	(-)	1,54,71,172
	(-)	(-)
Short term advance given		
Power Grid Corporation of India Limited		
(Tree Crop and Hut Compensation Advance)	-	10,62,36,831
	(-)	(7,00,00,000)
B Outstanding Balances*		
Other Current Liabilities		
IL&FS Energy Development Company Limited	-	34,30,706
	(-)	(36,07,935)
SJVN Limited	-	-
	(-)	(-)
Power Grid Corporation of India Limited	-	-
	(-)	(1,02,90,638)
SJVN Limited	-	12,87,015
	(-)	(8,62,125)
Short term loans and advances (asset)		
Power Grid Corporation of India Limited	-	44,86,408
	(-)	(1,23,86,905)
Power Transmission Company Nepal Limited	1,90,927	-
	(1,90,927)	(-)

*Amounts in brackets represents previous year 's/ previous period figures i.e. 31st March 2016

Deputation Cost and Salary of KMP

	CEO	CFO
Deputation cost of KMP- Mr. P N Prasad (CEO)	42,36,831	
Salary of KMP- Mr. Sandip Rai (CFO)		10,62,372

G.D. PANDIT & CO. * Chartered Accountants *

CROSS BORDER POWER TRANSMISSION COMPANY LTD. *

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI-110 065

NOTES FORMING PART OF FINANCIAL STATEMENT

29 Earnings Per Equity Share

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

	Particulars	Unit	Year ended 31-Mar-2017 (Rupees)	Year ended 31-Mar-2016 (Rupees)
a	Net Profit for the year	Rupees	17,64,86,041	14,31,74,584
b	Weighted Average of Number of Equity Shares of Rs. 10 each	Nos.	4,27,02,931	3,44,58,259
c	Basic Earnings per share	Rupees	4.13	4.16
d	Weighted average number of shares outstanding during the period for calculation of diluted earnings per share	Nos.	4,27,02,931	3,44,58,259
e	Diluted earnings/(loss) per share *	Rupees	4.13	4.16

*In case the effect of potential equity shares is anti-dilutive, these have not been considered for calculation of diluted earnings per share.

30 Employee Benefits

The Company participated in defined contribution scheme, no asset has been separately funded for the benefits. For contribution scheme, the amount charged to the profit and loss is the total contribution payable in the year.

a. Defined Contribution Plan

The Company makes contribution towards provident fund to a defined contribution retrirement bennefit plan for qualifying employees. The Company's contribution to the employees provident fund is deposited with the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company recognised Rs. 78,921/- for provident fund contribution in the statement of profit and loss account. The Contribution payable to the plan by the Company is at the rate specified in the rules to the scheme.

b. Defined benefit Plan- Gratuity Plan

The Gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each computed year of service subject to completion of five year of service.

c. Principal acturial assumptions:

Principal acturial assumption used to determine the present value of benefit obligation are as follows:

S.No	Particulars	Year ended 31.03.2016	Year ended 31.03.2017
i	Discount Rate (p.a)	7.68%	7.29%
ii	Rate of return on assets (p.a)	0%	0%
iii	Salary escalation rate (p.a)	6%	6%
iv	Attrition Rate	5%	5%
v	Leave Accounting & Consumption Technique	LIFO	LIFO
vi	Proportion of leave Availment	5%	5%
vii	Proportion of encashment on separation	95%	95%

Note

1 The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of obligations.
2 The Company has not made any assets, therefore NIL rate of return has been taken for consideration
3 The estimates of future increases considered takes into account the inflation, seniority, promotion and other relevent factors.

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED
10, COMMUNITY CENTER, 2ND FLOOR
EAST OF KAILASH, NEW DELHI-110 065

NOTES FORMING PART OF FINANCIAL STATEMENT

d. **The following tables set out funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31st March 2017.**

S.No	Particulars	Year ended 31.03.2016	Year ended 31.03.2017
Changes in benefit obligations:			
i.	Present value of obligations at the beginning of the year	-	4,48,892
ii.	Current service cost	1,56,573	1,35,025
iii.	Past Service Cost	-	-
iv.	Interest cost	-	34,475
v.	Acturial gain/(loss) on obligation	2,92,319	(1,63,286)
vi.	Benefits paid	-	-
vii.	Acquisition adjustment	-	-
viii.	Present value of obligation at the end of the year	4,48,892	4,55,106

e. **Expenses recognised in the statement of profit and loss account**

S.No	Particulars	Year ended 31.03.2016	Year ended 31.03.2017
Expenses recognised in the statement of profit and loss account			
Current Service Cost		1,56,573	1,35,025
Interest cost		-	34,475
Immediate recognition of (Gain)/Losses-other Long term benefits		2,92,319	-
Net Charges/(credit)		**4,48,892**	**1,69,500**

e. **Actuarial assumptions for long- term compensated absences**

Principal actuarial assumptions:

S.No	Particulars	Year ended 31.03.2016	Year ended 31.03.2017
1	Discount Rate (p.a)	7.68%	7.29%
2	Salary escalation rate (p.a)	6.00%	6.00%
3	Attrition Rate	5.00%	5.00%

Note

1 The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of obligations.

2 The estimates of future increases considered takes into account the inflation, seniority, promotion and other relevent factors.

C.K. PANDIT & CO. Chartered Accountants

CROSS BORDER POWER TRANSMISSION COMPANY LTD.

31 - Financial Instruments

31 (i) **Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt of Rs. 1,85,53,76,440 (borrowing as detailed in notes 12 and 13) offset by cash and bank balances as detailed in note 7) and total equity of Rs. 73,76,23,052.

31 (ii) **Gearing Ratio**

The gearing ratio at the end of the reporting period was as follows:

	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Debt (see note i below)	1,85,53,76,440	1,51,85,77,175	1,06,00,00,000
Cash and bank balances (see note (ii) below)	22,60,52,540	2,13,04,674	4,44,96,979
Net debt	**1,62,93,23,900**	**1,49,72,72,501**	**1,01,55,03,021**
Total equity	73,76,23,052	58,45,40,038	26,88,06,604
Net debt to equity ratio	221%	256%	378%

Note

(i) Debt is defined as long term and short term borrowings (including current maturity of long term borrowings) as described in note 12 and 13.
(ii) Cash and bank balance includes cash and cash equivalent and bank balance held as margin money with lenders as described in note 7.

31 (iii) Categories of financial instruments	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial Assets (at amortised cost)			
a) Service concession agreement (non current)	2,09,97,49,668	2,21,62,18,426	1,48,82,58,102
b) Service concession agreement (current)	44,46,55,059	42,00,86,804	4,40,55,101
c) Trade receivables	-	84,81,633	-
d) Cash and cash equivalents	22,60,52,540	2,08,04,674	4,39,96,979
e) Bank balances (other than above)	-	5,00,000	5,00,000
f) Others financial assets	5,33,21,743	4,51,90,831	1,33,709
Financial Liabilities (at amortised cost)			
a) Borrowings (including current maturities of long term borrowings)	1,85,53,76,440	1,51,85,77,175	1,06,00,00,000
b) Other financial liabilities (excluding current maturities of long term borrowings)	5,64,46,416	3,70,64,399	2,17,66,160

31 (iv) **Interest rate risk management**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's interest rate risk arises from borrowings in the form of term loans taken from the banks. The Company does not account for any fixed rate financial assets or liabilities at fair value through profit or loss.

The Company has borrowing on account of term facility from banks. The borrowings are based on applicable floating rates as stated in Note 12. The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data.

31 (v) **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure and the credit worthiness of its counterparties are continuously monitored.

The Company has entered into Implementatioin and Transmission Service Agreement (ITSA) with the NEA (Nepal Electricity Authority). There is no substantial evidence of default from NEA.

The Maximum Exposure to NEA is :

	Carrying amount 31.03.2017	Carrying amount 31.03.2016	Carrying amount 1.04.2015
Service concession agreement (non current)	2,09,97,49,668	2,21,62,18,426	1,48,82,58,102
Service concession agreement (current)	44,46,55,059	42,00,86,804	4,40,55,101
Trade receivables	-	84,81,633	-
Total	2,54,44,04,727	2,64,47,86,863	1,53,23,13,204

31 (vi) **Liquidity risk management**

The responsibility for liquidity risk management rests with the Corporate Finance department which functions under the guidance of Board of Directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

Liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on undiscounted cash flows of financial liabilities based on earlier date on which the Company can be required to pay.

31 March 2017	0-1 year	1-5 years	More than 5 years	Contractual amount	Carrying amount at amortised cost
As at 31.03.2017					
Borrowings (including current maturities of long term borrowings)	12,79,56,996	51,18,27,968	1,27,39,88,141	1,91,37,73,105	1,91,37,73,105
Other financial liabilities (excluding current maturities of long term borrowings)	5,64,46,416	-	-	5,64,46,416	5,64,46,416

Total	18,44,03,412	51,18,27,968	1,27,39,88,141	1,97,02,19,521	1,97,02,19,521
As at 31.03.2016					
Borrowings (including current maturities of long term borrowings)	5,06,19,239	51,18,27,968	1,18,94,52,793	1,75,19,00,000	1,75,19,00,000
Other financial liabilities (excluding current maturities of long term borrowings)	3,70,64,399			3,70,64,399	3,70,64,399
Total	8,76,83,638	51,18,27,968	1,18,94,52,793	1,78,89,64,399	1,78,89,64,399
As at 01.04.2015					
Borrowings (including current maturities of long term borrowings)	-	47,42,56,891	1,27,76,43,109	1,75,19,00,000	1,75,19,00,000
Other financial liabilities (excluding current maturities of long term borrowings)	2,17,66,160			2,17,66,160	2,17,66,160
Total	2,17,66,160	47,42,56,891	1,27,76,43,109	1,77,36,66,160	1,77,36,66,160

Assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31 March 2017	0-1 year	1-5 years	More than 5 years	Contractual amount	Carrying amount at amortised cost
As at 31.03.2017					
Trade receivables	-			-	-
Cash and cash equivalents	22,60,52,540			22,60,52,540	22,60,52,540.00
Other balances with banks	-			-	-
Service concession receivable (current and non current)	44,46,55,059			44,46,55,059	44,46,55,059.00
Other financial assets	5,33,21,743	-	0	5,33,21,743	5,33,21,743.00
Total	72,40,29,342	-	-	72,40,29,342	72,40,29,342
As at 31.03.2016					
Trade receivables	84,81,633			84,81,633	84,81,633.00
Cash and cash equivalents	20804674.01			2,08,04,674	2,08,04,674.01
Other balances with banks	5,00,000			5,00,000	5,00,000.00
Service concession receivable (current and non current)	42,00,86,804			42,00,86,804	42,00,86,804.00
Other financial assets	4,51,90,831			4,51,90,831	4,51,90,831.00
Total	49,50,63,942	-	-	49,50,63,942	49,50,63,942
As at 01.04.2015					
Trade receivables	-			-	-
Cash and cash equivalents	4,39,96,979			4,39,96,979	4,39,96,978.51
Other balances with banks	5,00,000			5,00,000	5,00,000.00
Service concession receivable (current and non current)	4,40,55,101			4,40,55,101	4,40,55,101.00
Other financial assets	1,33,709			1,33,709	1,33,709.00
Total	8,86,85,789	-	-	8,86,85,789	8,86,85,789

32 Accounting Standard 17 (AS-17) on 'Segment Reporting' is not applicable on the Company presently.

33 Previous year's figures have been regrouped / reclassified wherever necessary, to confirm to the current year presentation.

34 The financial statement for the year ended 31st March, 2017 were approved by the Board of Directors and authorised for issue on 23.06.2017

In terms of our report attached

For GD Pandit & Co.

ICAI Firm registration number:000167N

Chartered Accountants

CA Vinod Goyal

Partner

Membership No:083701

Place : Gurgaon

Date : 23/6/2017

For and on behalf of the Board

Director — Name: S. C.Misra — DIN:02131665

Director — Name: Haziq Beg — DIN:00063364

Sandip Rai

Company Secretary & CFO

Place : Gurgaon

Date : 23/06/2017