BHILWARA ENERGY LIMITED
CIN : U31101DL2006PLC148862
Registered office : Bhilwara Bhawan, 40-41, Community Centre, New Friends Colony, New Delhi-110025
Corporate office : Bhilwara Towers, A-12, Sector-1, Noida-201301 (U.P.),
Phone: 0120-4390300 (EPBAX), Fax: 0120-2536268
E-mail: ravi.gupta@lnjbhilwara.com, Website: bhilwaraenergy.com

NOTICE OF 12TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 12th Annual General Meeting of the Members of M/s Bhilwara Energy Limited will be held on Friday, 28th September, 2018 at 03:00 P.M. at S-466, GK –II, New Delhi- 110048 to consider inter-alia the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt:
    a) the audited financial statement for the financial year ended 31st March 2018, the Report of the Board of Directors and the Auditors thereon.

    b) the audited consolidated financial statement for the financial year ended 31st March 2018, and the Reports of the Auditors thereon.

2. To appoint a Director in place of Mr. Ravi Jhunjhunwala (DIN-00060972), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

By Order of the Board of Directors
For Bhilwara Energy Limited

Place : Noida (U.P.)
Date : 27th August, 2018

(Ravi Gupta)
Company Secretary
M.No.-FCS-5731

Registered Office
Bhilwara Bhawan, 40-41, Community Centre,
New Friends Colony, New Delhi-110025

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A person holding more than ten percent of the total share capital of the Company carrying voting right may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 7-days in advance so as to enable the Company to keep the desired information ready.

4. Disclosure as required under the Secretarial Standard – 2 on General Meeting is annexed as Annexure-1 to this Notice of Annual General Meeting.

5. Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to send to the company, a duly certified Board Resolution authorizing the said representative(s) to attend and vote on their behalf at the meeting.

6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

7. The relevant documents accompanying the Notice are open for inspection to the members at the registered office of the Company during the normal business hours of the Company up to the date of the meeting.

8. Members seeking any information/clarification with regard to accounts and audit are requested to write to the Company in advance and their queries should reach the Registered Office of the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/clarification ready.

9. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.

10. The Notice and Annual report of the Company shall be available on the website of the Company www.bhilwaraenergy.com.

11. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

12. Route–map to the venue of the Meeting is provided at the end of the Notice of AGM.

ANNEXURE -1 TO THE NOTICE OF ANNUAL GENERAL MEETING

Information pursuant to Secretarial Standard on General Meetings (SS-2) regarding Director seeking appointment / re-appointment and/or fixation of remuneration of Directors is given hereunder:

S. No.	Name of Director	Mr. Ravi Jhunjhunwala
1.	Category	Chairman, Promoter, Non-Executive Director
2.	DIN	00060972
3.	Date of Birth	28-10-1955
4.	Age	62 Years
5.	Date of First Appointment on Board	03-06-10
6.	Qualification	B.Com (Hons.), MBA
7.	Experience	37 Years
8.	Expertise in Specific Functional Areas	Mr. Ravi Jhunjhunwala is an Industrialist with diversified Business Experience. He is the Chairman of LNJ Bhilwara Group - a diversified Conglomerate with interests in Textiles, Graphite, Electrodes, Power & IT enabled Services.
9.	List of other Companies in which Directorship held	
9.1	List of Public Companies in which directorship Held	HEG Limited
		RSWM Ltd.
		Maral Overseas Ltd.
		Malana Power Company Limited
		AD Hydro Power Limited
		BSL Ltd.
		India Glycols Ltd.
		JK Lakshmi Cement Ltd.

9.2	List of Private Companies in which Directorship Held	BMD Pvt Ltd
		RLJ Family Trusteeship Private Limited
		SKLNJ Family Trustee Private Limited
		RANDR Trustee Private Limited
		RRJ Family Trustee Private Limited
9.3	Others	Riju Advisory and Consulting LLP
		RJ Family Consulting and Advisory LLP
		RR Family Advisory and Consulting LLP
		Proficio and Smart Consulting LLP
10.	Chairman/ Member of Committees of Board of Directors of Company	Nomination and Remuneration Committee- Member
11.	Chairman/Member of Committees of Board of Directors of other Company	
11(i)	Audit Committee	JK Lakshmi Cement Ltd.-Member
		AD Hydro Power Ltd.-Chairman
		India Glycols Ltd.-Member
11(ii)	Nomination & Remuneration Committee (NRC)	AD Hydro Power Limited- Chairman
		JK Lakshmi Cement Limited- Member
		India Glycols Ltd.- Member
11(iii)	Stakeholder Relationship Committee	HEG Ltd.– Member
		BSL Ltd.– Member
11(iv)	Risk Management Committee	India Glycols Limited-Member
12	No. of Equity Share held in the Company	8,287,966

13	No. of Board Meetings attended during the year	04/04
14	Terms and Conditions of appointment/reappointment along with remuneration sought to be paid	Non-Executive Director liable to retire by rotation, with no remuneration & commission.
15	The Remuneration last drawn	NIL
16	Relationship with other directors, Manager and Key Managerial Personnel	Shri Ravi Jhunjhunwala is Father of Shri Riju Jhunjhunwala and Shri Rishabh Jhunjhunwala, Managing Directors of the Company.

BHILWARA ENERGY LIMITED

CIN : U31101DL2006PLC148862

Registered office: Bhilwara Bhawan, 40-41, Community Centre, New Friends Colony, New Delhi-110025

Corporate office: Bhilwara Towers, A-12, Sector-1, Noida-201301 (U.P.)

Phone: 0120-4390300 (EPBAX), Fax: 0120-2536268

E-mail:ravi.gupta@lnjbhilwara.com, Website: bhilwaraenergy.com

ATTENDANCE SLIP

Folio / DP ID/Client ID No.________________________ No. of Shares held________________

Full Name of Shareholder ____

Full Name of Proxy / Representative __________________________________

I hereby record my presence at the 12th Annual General Meeting of the Company held on Friday, 28th September, 2018 at 03:00 P.M. at S-466, GK –II, New Delhi- 110048.

Signature of shareholder / proxy / representative _________________________

Note: Please fill in this attendance slip and hand it over at the venue.

* Strike out whichever is not applicable.

BHILWARA ENERGY LIMITED
CIN : U31101DL2006PLC148862
Registered office: Bhilwara Bhawan, 40-41, Community Centre, New Friends Colony, New Delhi-110025
Corporate office: Bhilwara Towers, A-12, Sector-1, Noida-201301 (U.P.),
Phone: 0120-4390300 (EPBAX), Fax: 0120-2536268
E-mail: ravi.gupta@lnjbhilwara.com, Website: www.bhilwaraenergy.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :
Registered address :
E-mail Id :
Folio No / Client Id :
DP ID :

I/We, being the member (s) of ……………… shares of the above named company, hereby appoint

1. Name : ………………..
   Address :
   E-mail Id :
   Signature :……………. , or failing him

2. Name : ………………..
   Address :
   E-mail Id :
   Signature :……………. , or failing him

3. Name : ………………..
   Address :
   E-mail Id :
   Signature :……………. , or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 12th Annual General Meeting of the Company held on Friday, 28th September, 2018 at 03:00 P.M. at S-466, GK –II, New Delhi- 110048 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution Number	Resolution	For	Against
Ordinary Business			
1.	To receive, consider and adopt: a) the audited financial statement as at 31st March 2018, the Report of the Board of Directors and the Auditors thereon. b) the audited consolidated financial statement as at 31st March 2018, and the Reports of the Auditors thereon.		
2.	To appoint a Director in the place of Mr. Ravi Jhunjhunwala (DIN-00060972), who retires by rotation and being eligible offers himself for re-appointment.		

Signed this ______________________________ day of ________ 2018

Signature of shareholder ________________________

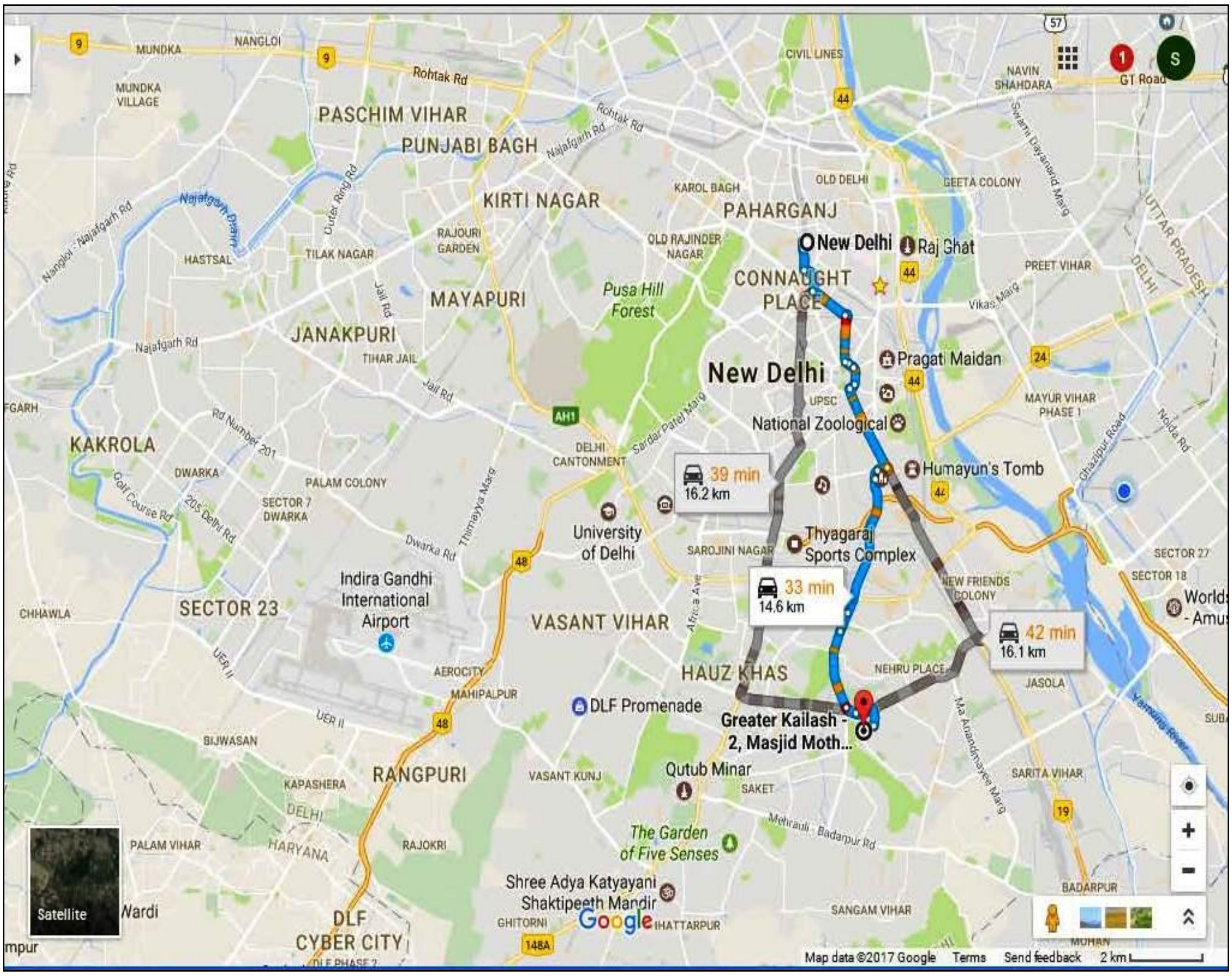
Signature of Proxy holder ________________________

Affix Revenue Stamp

Notes :

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.
2. ** It is optional to indicate your preference. If you leave the for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. For the Resolutions, Explanatory statement and Notes, please refer to the Notice of the 12th Annual General Meeting.

ROUTE MAP FROM NEW DELHI RAILWAY STATION TO THE S-466, GK –II, NEW DELHI- 110048



The Members
Bhilwara Energy Limited

Dear Members,

The Directors of the Company are pleased to present their Twelfth(12th) Annual Report on the business and operations of the Company and Audited Statement of accounts for the year ended31st March, 2018 together with the Auditors' Report.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY (STANDALONE & CONSOLIDATED)

(Amt. in Rs. Millions)

Particulars	**Standalone**		**Consolidated**	
	For the financial year ended		**For the financial year ended**	
	31st March 2018	**31st March 2017**	**31st March 2018**	**31st March 2017**
Revenue from operations	137.48	162.09	3,177.23	3,834.34
Other Income	810.36	36.42	1,509.04	571.40
Total Revenue	**947.84**	**198.51**	**4,686.27**	**4,405.74**
Operating and Administrative Expenses	402.30	87.63	1,171.89	1,141.33
Operating Profit before Interest, Depreciation& Tax	**545.54**	**110.88**	**3,514.38**	**3,264.41**
Depreciation & Amortization Expenses	38.12	38.16	864.09	990.28
Profit/ (Loss) before finance costs and Exceptional Items and Tax	**507.42**	**72.72**	**2,650.29**	**2,274.13**
Finance Costs	188.96	254.31	1,133.94	1,659.35
Profit/ (Loss) before Exceptional Items and Tax	**318.46**	**(181.59)**	**1,516.35**	**614.78**
Exceptional Items	333.96	-	605.28	-
Profit/(Loss) before tax	**(15.50)**	**(181.59)**	**911.07**	**614.78**
Tax Expenses	-	-	(243.13)	141.14
Net Profit/(Loss)	**(15.50)**	**(181.59)**	**1,154.20**	**473.64**

Non-Controlling Interest	-	-	597.36	323.96
Profit/Loss for the period	**(15.50)**	**(181.59)**	**556.84**	**149.68**
Non-Controlling Interest of other Comprehensive Income	-	-	0.24	(0.39)
Other Comprehensive Income	0.14	(0.78)	1.85	(1.55)
Total Comprehensive Income/(Loss) net of tax	**(15.36)**	**(182.37)**	**558.45**	**148.52**
Total Comprehensive Income/(Loss) for the year	**(15.36)**	**(182.37)**	**558.45**	**148.52**
Earning Per Share (in Rs.)				
i) Basic	**(0.09)**	**(1.10)**	**3.36**	**0.90**
ii) Diluted	**(0.09)**	**(1.10)**	**3.36**	**0.90**

The Standalone and Consolidated Audited Balance Sheet for the FY 2017-18 is attached to this Annual Report, and also available on the website of the Company www.bhilwaraenergy.com.

2. OVERALL PERFORMANCE AND THE STATEMENT OF COMPANY AFFAIRS

Standalone:

During the financial year 2017-18, the Company on standalone basis recorded the Revenue from operations of Rs. 137.48 millionsas against Revenue of Rs. 162.09 millions during the previous financial year. The Company suffered the Net Loss of Rs. 15.50 millions as against Net Loss of Rs. 181.59 millions in the previous financial year.

Consolidated:

During the financial year 2017-18, the Company on consolidated basis recorded the Revenue from operation of Rs. 3,177.23million as against Rs. 3,834.34million during the previous financial year. The Net Profit (after non-controlling interest)during the financial year is Rs. 556.84 million as against Rs. 149.68million in the previous financial year.

3. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on 31st March, 2018, the Company has seven (7) subsidiaries which are as follows:

* Malana Power Company Limited

- AD Hydro Power Limited
- NJC Hydro Power Limited
- Chango Yangthang Hydro Power Limited
- BG Wind Power Limited
- Indo Canadian Consultancy Services Limited
- Balephi Jalvidhyut Company Limited, Nepal

During the year 2017-18, M/s Bhilwara Green Energy, M/s LNJ Power Ventures Limited and M/s Green Ventures Private Limited ceased to be the subsidiaries of M/s Bhilwara Energy Limited. M/s BG Wind Power Limited which was earlier the subsidiary of M/s Bhilwara Green Energy Limited and step down subsidiary of M/s Bhilwara Energy Limited was fully acquired by the Company during the year and is now the wholly owned subsidiary of M/s Bhilwara Energy Limited.

The Audited Financial Statement of each of the Subsidiary Company has been placed on the website of the company i.e. www.bhilwaraenergy.com. The Financial Statements of the Subsidiary Company are kept for inspection by the shareholders at the registered office of the Company. The Company shall provide the copy of the financial Statements of its Subsidiary Companies to the shareholders upon their request.

There has been no material change in the nature of Business of the subsidiaries.

A report on the performance and financial position of the Subsidiary Company as per the Companies Act, 2013 in Form AOC-1 is annexed as **Annexure-I** forming part of this report.

4. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The consolidated financial statements are available on the website of the Company and can be accessed on www.bhilwaraenergy.com.

5. STATEMENT OF COMPANY AFFAIRS/ PROJECT STATUS & INFORMATION/ SUBSIDIARIES COMPANIES

PROJECTS DEVELOPED BY THE COMPANY

14 MW Wind Power Project in Distt. Kolhapur, Maharashtra

The generation during the year stood at 22.67 Million kWh in the financial year 2017-18 as compared to 26.71 Million kWh in the previous financial year 2016-17. The Company recorded revenue from operations of Rs. 137.59 million during the financial year 2017-18 as compared to Rs. 161.99 million in the previous financial year. The power generated from this project is being sold to Maharashtra State Distribution Company Limited (MSEDCL) on long term PPA for 13 years. The Project is availing Generation Based Incentives (GBI) provided by MNRE, Government of India.

HYDRO POWER PROJECT UNDER THE SUBSIDIARIES

(i) Malana Power Company Limited-86 MW Malana HEP (Himachal Pradesh)

Malana Power Company Ltd.(MPCL), a subsidiary of your company, is engaged in the generation & transmission of energy from its 86 MW Malana Hydro Electric Project in the state of Himachal Pradesh. The Malana HEP is in operation since 2001.

During the period under review, MPCL recorded revenue from operations of Rs.84.34crore during the financial year 2017-18 as compared to Rs.77.97crore in the previous financial year 2016-17. The other income during the financial year 2017-18 was Rs.54.58crore on vis-a-vis Rs.54.19crore in the financial year 2016-17, out of which Rs. 51 crore other income is attributable to the interest on sun-debt provided on AD Hydro Power Limited. The actual payment of the sub-debt interest from AD Hydro Power Limited to Malana Power Company Limited will be done subject to covenants stipulated in the financing documents of AD Hydro Power Limited.

The Net profit during the financial year 2017-18 was at Rs.119.08crore as compared to Rs. 64.84crore in the previous financial year. The increase in profitability is mainly due to recognition of MAT credit for Rs.41.54crore related to prior years. The interest income of Rs.51.02crore is only charged to AD Hydro Power Ltd. (ADHPL, subsidiary company) and ADHPL can pay the interest income only when it meets with the covenants stipulated in the financing agreements between ADHPL and its lenders.

The generation during the financial year 2017-18 stood at 346.50 Million Kwh as compared to 354.07 Million kWh in the previous year.

(ii) AD Hydro Power Limited- 192 MW Allain Duhangan HEP (Himachal Pradesh)

AD Hydro Power Ltd (ADHPL), a step down subsidiary of your Company, is engaged in the generation & transmission of energy from its 192 MW Allain Duhangan Hydro Electric Project in the state of Himachal Pradesh.

The Company recorded revenue from operations of Rs. 206.98 crore during the financial year 2017-18 as compared to Rs. 203.30crore in the previous financial year. The Net profit during the financial year 2017-18 was at Rs.2.54crore as compared to net profit of Rs. 2.52crore in the previous financial year.

The generation during the year stood at 683.01 Million KWh in the financial year 2017-18 as compared to 679.10 Million kWh in the previous financial year 2016-17.

(iii) NJC Hydro Power Limited-780 MW Nyamjang Chhu HEP (Arunachal Pradesh)

NJC Hydro Power Limited (NHPL), a wholly owned subsidiary of your company, is having license to develop of 780 MW Nyamjang Chhu Hydro Electric Project in the state of Arunachal Pradesh.

The Environmental Clearance of the project and Stage-I Forest Clearance were challenged in National Green Tribunal (NGT) in 2012 by a NGO 'Save Mon Region Federation'. NGT as per their order dated 7th April, 2016, has suspended the Economic Clearance accorded to the project and mandated the Ministry of Environment & Forests (MoEF& CC) to carry out the studies on "E-flow requirement for protection of Habitat of the Black Necked Crane and for the conservation of the Black Necked Crane" from Wildlife Institute of India, Dehradun. Subsequently, after completion of the studies, public hearing will be conducted before the case is considered afresh for reinstating environmental clearance. The study suggested by NGT has been awarded to Wildlife Institute of India, Dehradun by MoEF& CC and they have started the studies on the project. Therefore, no project activities can be taken up till the issues regarding environmental clearance are settled and the environmental clearance is reinstated.

(iv) Chango Yangthang Hydro Power Limited-180 MW Chango Yangthang HEP (Kinnaur District, Himachal Pradesh)

Chango Yangthang Hydro Power Ltd (CYHPL), a wholly owned subsidiary of your company, is having license to develop 180 MW Chango Yangthang Hydro Electric Project in the state of Himachal Pradesh.

Due to various reasons, CYHPL is not able to develop its project and has surrendered the project and filed application with Govt of H.P. for refund of upfront premium and security deposit of Rs. 39.69 crore along with interest @ 10%.

The management of CYHPL is expecting a refund amounting Rs. 3,969.45 Lacs therefore the upfront premium of Rs. 3,789.45 Lacs which was classified in Capital Work In Progress has been transferred to Other Non-current Assets and balance amount of Rs. 2,713.18 Lacs is charged to Profit & Loss Account as an exceptional item.

The members are informed that CYHPL has filed an application with Hon'ble National Company Law Tribunal, Chandigarh Bench for reduction of share capital from Rs. 60 crore to Rs. 30 crore. The NCLT vide its order dated 08th August, 2018 has approved such reduction of capital.

(v) 200 MW Bara Bangahal HEP (Chamba District, Himachal Pradesh)

The Members are aware that the Company was allotted 200 MW Bara Bhangal Hydro-electric Project (HEP) on River Ravi in Indus Basin located in District Chamba of Himachal Pradesh. As apprised to the members in the previous Report, some part of project falls under Dhauladhar Wild Life Sanctuary (DWLS). After approval of the Govt. of Himachal Pradesh (GoHP) to implement Bara Bangahal Hydro-electric Project (200 MW) in two stages, a Supplementary Pre-Implementation Agreement (SPIA) was signed with the State Government on 03.02.2014 to implement Bara Bangahal Stage – I HEP (92 MW). The Company had mentioned the difficulty due to wildlife norms, and had written to the Directorate of Energy, Government of Himachal Pradesh vide letter dated 09.12.2015, and expressed its inability in doing project. In this regard, the Company had also requested for refund of the entire amount of upfront premium of Rs. 612.00 million paid by MPCL for allotment of the project along with interest @ 12%. ***The Company has received communication from the Directorate of Energy, vide its letter dated 20th***

March 2018 stating that the request of the Company is under consideration and the decision shall accordingly be conveyed.

(vi) Balephi Jalvidhyut Company Ltd-23.52 MW Balephi HEP (Nepal)

Balephi Jalvidhyut Company Limited (BJCL), Nepal, a subsidiary of your company, got the project capacity revised to 23.52 MW and PPA also got executed with NEA for the revised capacity.

The members are informed that the Share Purchase Agreement was signed on 8th January 2018 with M/s Triveni Hydro Power Limited for sale of company's stake in Balephi Jalbidhyut Company Limited for a total consideration of INR 6.25 crore. The transaction is yet to take place.

WIND POWER PROJECTS UNDER SUBSIDIARIES

(i) BG Wind Power Limited-20 MW Wind Power Project in Distt. Jaisalmer, Rajasthan

BG Wind Power Limited, a wholly owned subsidiary of M/s Bhilwara Energy Limited, (formerly wholly owned subsidiary of M/s Bhilwara Green Energy Limited) is engaged in generation of 20 MW Wind power project in Distt. Jaisalmer, Rajasthan.

The power generated from this project is being sold to Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) at PPA (valid till 31st March'2019) on Average Power Purchase Cost (APPC) mode. The Project is availing Generation Based Incentives (GBI) provided by MNRE, Government of India and also eligible for Renewable Energy Certificate provided by Govt. of India.

Due to post commissioning stabilization period, this project could not able to generate as per expectation.

The generation during the year stood at 15.52 MU in the financial year 2017-18. The total revenue during the current financial year 2017-18 is Rs. 8.21 Croreas against Rs. 0.09 Crore during the previous year.

The Company suffered loss of Rs 19.76 Crore as against loss of Rs.2.77 Crore during the previous year. The reason for the loss is lower generation and impairment of the assets to the tune of Rs 10 Crore during the year.

OTHER SUBSIDIARIES

(i) Indo Canadian Consultancy Services Limited

Indo Canadian Consultancy Services Ltd (ICCS), subsidiary of your company, is engaged in the consultancy of hydro power.

During the current financial year 2017-18, ICCS recorded Revenue from operation of Rs. 5.49 croreas against Rs. 6.42 crore in the previous year. During the current financial year 2017-18, ICCS recorded Net Loss of Rs. 0.05 crore as against loss of Rs. 0.28 crore during the previous financial year.

SALE OF ASSETS

As reported in the last Directors' Report, the Company was in the process of selling its 14 MW Wind power project situated at site Bhendewade, District Kolhapur Maharashtra as a going concern on slump sale basis, sale by transfer of 100% equity shares of M/s Bhilwara Green Energy Limited having 49.5 MW Wind power project in Maharashtra and sale by transfer of 100% equity shares held by company (company hold 74% equity shares) in M/s LNJ Power Ventures Limited having 20 MW wind power project in Rajasthan to M/s Hero Wind Energy Private Limited.

The Company has also mentioned in its last Directors' Report about execution of Share Purchase Agreement for sale its entire equity stake in Green Ventures Private Limited, Nepal.

The Company would like to inform the members that it has sold its stake in Bhilwara Green Energy Limited, LNJ Power Ventures Limited and Green Ventures Private Limited, Nepal. However,the sale transaction of 14 MW Wind Power Project could not be materialized.

The proceeds of the sale were utilized to retire the debt of the company; acquisition of 20 MW BG Wind Power Limited pay off the transaction costs and other general corporate purpose.

The members are also informed that the Company has also executed the Share Purchase Agreement for sale of its entire equity stake in Balephi Jalvidhyut Company Limited. However, the transaction is yet to materialize.

6. DIVIDEND

In view of the loss during the current year and other financial commitments of the Company, your Director's do not propose any dividend for the financial year under review.

7. INDUSTRY POTENTIAL & DEVELOPMENT

INDUSTRY POTENTIAL

The Indian power sector became the fifth largest installed capacity in the world. The all India installed power generation capacity stood at 3,44,002 MW as on 31.03.2018 comprising of 2,22,907 MW from Thermal, 45,293 MW from Hydro, 6,780 MW from Nuclear and 69,022 MW from Renewable.

During the fiscal year 2017-18, the energy availability was 1,205 BU as against requirement of 1213 BU kWh with a shortfall of 0.7% and peak load was 161 GW as against peak demand of 164 GW with a shortfall of 2%.

As per the CEA's 19th Electric Power Survey (EPS) report, the electricity consumption on all-India basis during the period 2021-22 and 2026-27 has been assessed as 1300 BU and 1743 BU respectively. The peak electricity demand has been estimated as 226 GW during 2021-22 and 299 GW during 2026-27.

The 2018 Union Budget proposals are also pro-growth with focus on rural development and infrastructure. The government has outlined ~21% Y-o-Y increase in funds for infrastructure in FY19. Lead by this and the various reforms including GST. Indian GDP growth is likely to remain buoyant in the short to medium term.

In terms of on World Bank's Ease of getting Electricity Index, India's rank has also increased to 29 in June' 2017 from 99 in 2015.

The 2018 Global Economics Prospect (GEP) released by the World Bank projects that India's GDP will grow by 7.3% in 2018-19 and by 7.50% for the next two years. Also according to the Central Electricity Authority (CEA), the electricity demand in the country will grow at 6.18% (CAGR) between FY17 and FY22, driven primarily by industrial demand which is expected to pick up owing to the 'Make in India' initiative of the Government.

Over the next 3 to 5 years, we expect power demand to grow steadily considering the expected pick-up in GDP growth and the various macroeconomic reforms and measures taken by the Government – steady operational improvement under UDAY scheme. 'Power for all by 2019' initiate and the 'Saubhagya' scheme to name a few.

HYDRO POWER

As per the Central Electricity Authority Assessment (CEA), the economically exploitable hydro power potential in terms of installed capacity as 148,701 MW, out of which 145,320 MW is from schemes having capacity above 25 MW. However as of 31st March 2018 the hydro-electric schemes in operation account for only 31% and thus, the bulk of the potential remains to be developed.

Despite huge potential, the growth of hydro power segment has been rather sluggish due to inherent risks associated with the sector, such as geological surprises, natural calamities, environmental & forest issues, and rehabilitation and resettlement issues apart from commercial risks. The major commercial deterrents for the private developers are high capital cost and long payback period due to high gestation period. Financing such capital-intensive projects for long period such as 20 years is really a challenge. Through the private route, only about 3400 MW has been commissioned contributing only 7 percent of the total installed hydropower capacity signifying that there is minimal participation of the private sector.

Private developers, today seek returns commensurate with respect to risks involved in the sector. The industry seeks relentless support from the government in resolution of issues like various clearance processes, R&R, land acquisition, evacuation, law & order problems, and other issues. A definite hydro power policy in place addressing the above issues will probably restore the confidence of private sector to engage themselves in the implementation of hydro power plants in India.

The state of Himachal Pradesh constitutes close to one-fourth of India's total hydel power capacity. Its harnessable power potential lies second to the state of Arunachal Pradesh in the country, at approximately 19 GW of which 62% or 11.6 GW is operational/under construction. The state in the month of May 2018 amended its Hydro Power policy to boost execution of stalled projects. However it is yet to be seen that how far such positive changes in the state policy is able to restore the confidence & interest of private players in development of hydro power projects in the state.

RENEWABLE POWER

The energy mix has undergone changes over the years owing to the enhanced policy focus on climate change, energy security concerns and desire to rebalance energy sources.

Renewable Energy's share in the country's overall energy mix has seen a consistent and significant addition over the years. From a meager 3.3% share in 2002, Renewable Energy currently constitutes 20% of the overall installed capacity. The steady pace of addition has seen India emerge as the sixth largest Renewable Energy player in terms of Installed capacity in the world in 2018. As of March 2018, India's Renewable Energy installed capacity stood at 69 GW. Further, India has set an ambitious target of establishing 175 GW of new RE installed capacity target by 2022, which will result in India emerging as the world's largest RE market.

Wind constitutes the largest share of the country's overall RE pie with a share of 49%. The overall wind industry installations plummeted from 5,400 MW in FY17 to 1,766 MW in FY18 (32% of FY17 installations) due to transition from FiT (Feed in Tariff) regime to auction-based price discovery. The Government also has set a target to scale up the wind capacities to 60GW by 2022.

The Wind Industry is in consolidation phase where player with smaller portfolios are looking at exiting the market and correspondingly the large players are looking for acquisition to achieve economies of scale.The sector has seen a wave of M&A deals by various companies in last year and will continue on coming year also.

INDIAN MERCHANT MARKET

After three consecutive years of sub-Rs 3.00 / kWh, spot prices on the power exchange firmed up during year 2017-18, particularly in the second half. The monthly market clearing price at the Indian Energy Exchange (IEX) has spiked to Rs 4.02/kWh in March 18, taking the average cost to Rs 3.26/kWh. Recently the spot market witnessed the price going as high as Rs 11.78 / kWh on 24th May 2018

While such sudden surge in the spot market could be due to temporary factors like reduction in hydro and nuclear generation, outage of transmission line, shortage of domestic coal etc leading to short supply of power resulting into demand supply mismatch, however at the same time the underlying trend is quite encouraging.

The average Market Clearing Price (MCP) at Indian Energy Exchange (IEX) on all India basis rose 35% Y-o-Y to Rs.3.26/kWh in FY 2017-18.

Based on the facts provided above, the company feels that surging spot prices of electricity will continue to rise in the near-term, driven by both structural and seasonal reasons. Barring the short term reasons like imbalance in demand-supply, the underlying real demand is improving, which is far more important.

Going forward, it is expected that the demand will grow to cater to the continued economic growth of the country, creating more volume in the power market with strengthening of financials of Discoms.

8. CORPORATE GOVERNANCE

The Company is committed to achieving the higher standard of Corporate Governance by application of the best management practices, compliance with law, adherence to ethical standards and discharge of social responsibilities. Your Company has in all spheres of its activities adequate checks and balances to ensure protection of interest of all stakeholders. Your Company also endeavors to share, with its stakeholders' openly and transparently, information on matters which have a bearing on their economic and reputational interest.

The majority of the Board comprises of Non-Executive Directors' including Independent Directors appointed under the Companies Act, 2013, who play a critical role in imparting balance to the Board processes, by bringing an independent judgment to decide on issues of strategy, performance, resources, standards of Company's conduct, etc. The Audit Committee of the Board provides assurance to the Board on the adequacy of Internal Control Systems and Financial Systems.

9. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments, affecting the financial position of the Company have occurred during the end of the financial year of the Company to which the Financial Statements relate and the date of the report.

10. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal financial controls in place with reference to the Financial Statements commensurate with the size and nature of its business.An internal audit program covers various activities and periodical reports are submitted to the management. The Audit Committee reviews financial statements, internal audit reports along with internal control systems. During the year under review, these controls were evaluated and no significant weakness was identified in the operations of control. The Company has a well-defined organizational structure, internal rules and guidelines for conducting business transactions.

11. PERSONNEL

(i) INDUSTRIAL RELATION

The Industrial Relations during the period under review generally remained cordial at the plants and corporate office of the Company without any untoward incidents.

(ii) PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure –II.**

Further, on 21st December, 2010, the company has granted stock options as per Bhilwara Energy ESOP 2010 to its employees including those of subsidiary companies.

The Disclosures as required by Rule 12 of Companies (Share Capital and Debentures) Rules 2014 is as under:-

Parameters/terms of grant	**Explanation**
Total number of options granted	A total of 10,68,820 options are being awarded in the current grant amounting to 0.70% of the total paid up capital as on the grant date.
Total number of options accepted	1,068,820
Total number of Valid options	5,65,055
Total number of options lapsed	5,03,765

Option exercised	NIL
The total number of shares arising as a result of exercise of option	NIL
Exercise price per option	Rs 82/-
Variation of terms of options	N.A.
Money realized by exercise of options	NIL
Total number of option in force	5,65,055
Employee wise details of options granted to:	
(1) Key managerial personnel	Mr. O P Ajmera-1,28,027 Mr. Ravi Gupta-6,353
(2) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Mr. O P Ajmera-1,28,027 Mr. Rakesh Mahajan-1,03,807
(3) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL

12. PUBLICDEPOSITS

The details in regard to deposits, covered under Chapter V of the Companies Act, 2013 are mentioned hereunder;

a) Amount accepted during the year	**Nil**
b) Amount remained unpaid or unclaimed as at the end of the year	**Nil**
c) Default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	
i) at the beginning of the year	**-N/A-**
ii) maximum during the year	**-N/A-**
iii) at the end of the year	**-N/A-**

The company does not have deposits which are in contradiction of Chapter V of the Act.

Your Company has not invited any deposits from public/shareholders in accordance with Chapter V of the Companies Act, 2013.

13. RESERVES

No amount was required to be transferred to Reserve.

14. SHARE CAPITAL

a) Issue of equity shares with differential rights

During the financial year 2017-18, no equity shares have been issued with differential rights.

b)Issue of sweat equity shares

During the financial year 2017-18, no sweat equity shares which have been issued.

c)Issue of employee stock options

During the financial year 2017-18, no equity shares have been issued under employee stock option scheme/ employee stock purchase scheme.

d)Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

During the Financial Year 2017-18 no provision of money was made by the company for purchase of its own shares by employees or by trustees for the benefit of employees. So the provisions as provided in rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not applicable.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year 2017-18, the wholly owned subsidiary of your company M/s Chango Yangthang Hydro Power Limited has filed an application with Hon'ble National Company Law Tribunal, Chandigarh Bench for reduction of share capital from Rs. 60 crore to Rs. 30 crore. The NCLT vide its order dated 08th August, 2018 has approved such reduction of capital.

However, during the year under review, there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

16.CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as **Annexure III** forming part of this Report.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there has been no change in the Board of Directors and Key Managerial Personnel of the Company.

Directors Retire By Rotation

Pursuant to the provisions of Companies Act, 2013 Mr. Ravi Jhunjhunwala(DIN: 00060972) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends hisre-appointment.

Declaration from Independent Directors

Your Directors further inform the members that declarations under section 149(7) of the Companies Act, 2013 have been taken from the Independent Director/s at the beginning of the financial year confirming that they meet the criteria of Independence as specified under sub-section (6) of Section 149 of Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent Director during the year.

Key Managerial Personnel (KMPs)

During the year, Sh. Riju Jhunjhunwala, Managing Director, Sh. Ravi Gupta, Company Secretary and Sh. Krishna Prasad, Chief Financial Officer (CFO) acted as the Key Managerial Personnel of the Company in terms of Section 2(51) of the Companies Act, 2013.

18. MEETINGS

(i) MEETINGS OF THE BOARD

The Board of Directors had met four times during the financial year 2017-18.The Meeting of the Board were held on 16th May, 2017, 28th August, 2017, 11thDecember, 2017 and 15thMarch, 2018.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The Attendance of the Board meetings held in the financial year 2017-18 is as below:

S. No.	Name of the Director	Category	No. of Meetings entitled to Attend	No. of Meetings Attended
1	Mr. Ravi Jhunjhunwala	Chairman &Non-Executive Director	4	4
2	Mr. Riju Jhunjhunwala	Managing Director	4	4
3	Mr. Rishabh Jhunjhunwala	Managing Director	4	1
4	Dr. Kamal Gupta	Non-Executive Director (Independent Director)	4	4
5	Ms. Niharika Bindra	Non-Executive Director (Independent Director)	4	1
6	Mr. Rajeev Kalra	Non-Executive Director (Nominee Director)	4	4

(ii) AUDIT COMMITTEE

During the financial year 2017-18, the Audit Committee reviewed the Company's financial results, Internal Control Systems, Risk and Internal Audit Reports. The proceedings of the Committee have been in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. All the recommendations of the Audit Committee were accepted by the Board during the financial year 2017-18.

All the Members of the Committee possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Internal Auditors and Senior Executives of the Company were invited to attend the respective meetings of the Committee.

During the financial year 2017-18four Audit Committee Meetings were held. The meetings were held on16th May, 2017, 28th August, 2017, 11th December, 2017 and 15th March, 2018.

The Composition& Attendance of the Audit Committee meetings held in the financial year 2017-18is as below:

S. No.	Name of Director	Designation	No. of Meetings entitled to Attend	No. of Meetings Attended
1	Mr. Rajeev Kalra	Chairman & Member	4	4
2	Dr. Kamal Gupta	Member	4	4
3	Ms. Niharika Bindra	Member	4	1

The Company Secretary acts as the Secretary to the Committee.

(iii) NOMINATION AND REMUNERATION COMMITTEE MEETING

During the financial year 2017-18, no Nomination and Remuneration Committee Meetings were held.

The Composition of the Nomination & Remuneration Committee is as below:

S. No.	Name of Director	Designation
1	Dr. Kamal Gupta	Chairman & Member
2	Mr. Ravi Jhunjhunwala	Member
3	Ms. Niharika Bindra	Member
4	Mr. Rajeev Kalra	Member

The Company Secretary acts as the Secretary to the Committee.

(iv) CORPORATE SOCIAL RESPONSIBILITYCOMMITTEE MEETING

During the financial year 2017-18, One Corporate Social Responsibility Committee Meeting was held on 28th August, 2017.

The Composition& attendance of the Corporate Social Responsibility Committee meeting held in the financial year 2017-18 is as below:

S. No.	Name of Director	Designation	No. of Meetings entitled to Attend	No. of Meetings Attended
1	Dr. Kamal Gupta	Chairman & Member	1	1
2	Mr. Riju Jhunjhunwala	Member	1	1
3	Mr. Rajeev Kalra	Member	1	1

The Company Secretary acts as the Secretary to the Committee.

(v) INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on 16th May, 2017 and 03rdMay, 2018without the attendance ofNon Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non–Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non–Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

19. GENERAL MEETINGS

The Annual General meeting of the members for the Financial Year 2016-17was held on29th September, 2017.

During the year, two (2) Extra Ordinary General Meetings were held during the year on 08th June, 2017 and 28th February, 2018.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company has not entered into any transaction with related parties which could be considered material in terms of section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under section 134(3) (h) of the Companies Act, 2013 in form AOC-2 is not applicable.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Provision of section 186 of the Companies Act, 2013 with respect to loans, guarantees and security is not applicable since the Company is engaged in providing Infrastructural Facilities and is exempt under section 186 of the Companies Act, 2013. The details of the investment made during the year under review are disclosed in the notes to the financial statement of the Company.

22. BOARD EVALUATION

The Board is responsible for undertaking a formal annual evaluation of committees and individual Directors with a view to review their functioning and effectiveness. The manner of evaluation is mentioned in the Nomination & Remuneration Policy which forms part of the Board Report. The evaluation of performance of Independent Director is based on the criteria laid down in the Nomination and Remuneration policy which includes knowledge and experience in the field of power sector, legal, finance and CSR activities.

Your Directors express their satisfaction with the evaluation process and inform that the performance of the Board as a whole, its Committees and its member individually was adjudged satisfactory

23. BUSINESS RISK MANAGEMENT

The objective of risk management at the Company is to protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities. An enterprise wide risk management framework is applied so that effective management of risk is an integral part of every employee's job.

The Audit Committee of the Company oversees the Risk functions. The Company's risk management strategy is integrated with the overall business strategies of the organization and is communicated throughout the organization. Risk management capabilities aide in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The effectiveness of risk management strategies is monitored both formally and informally by Management. There is no major risk which may threaten the existence of the Company.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility Committee (CSR Committee) and on the recommendation of the CSR committee framed a CSR Policy and the same may be accessed on the website www.bhilwaraenergy.com.

During the last three financial years, the company had suffered losses and hence was not required to makeany expenditure towards Corporate Social Responsibility activity. The statement is annexed as **Annexure IV** hereto with this report.

25. NOMINATION & REMUNERATION POLICY

Pursuant to the provisions of section 178 of the Companies Act, 2013 the Board of Directors on the recommendation of the Nomination and Remuneration Committee has framed a policy for the appointment of Directors and Senior Management and KMP's of the Company and their remuneration. The Policy forms part of the Board Report as **Annexure V** and has also been available on the website of the Companywww.bhilwaraenergy.com.

26. STATUTORY AUDITORS

At the Annual General Meeting held on 29th September, 2017, M/s Doogar & Associates, Chartered Accountants, (ICAI Firm Registration No. 000561N), were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the 16th Annual General Meeting to be held in the Calendar Year, 2022, subject to ratification at every Annual General Meeting.

Your Directors inform the members that in accordance with the amendment notified by MCA on 7th May, 2018, the requirement of ratification of the appointment of Statutory Auditors at every Annual General Meeting has been omitted and is no longer required. Accordingly, the notice convening the ensuing Annual General Meeting does not carry resolutions with regard to ratification of appointment of Statutory Auditors.

The observations of the Auditors, if any, are explained wherever necessary, in the appropriate notes to the accounts. The Auditors' Report does not contain qualification, reservation or adverse remark.

27. REPORTING OF FRAUD BY AUDITORS'

During the year under review, neither the Statutory Auditors nor theSecretarial Auditor and the Internal Auditor had reported any matter under Section 143 (12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under 134(3) (ca) of the Companies Act, 2013.

28. AUDITORS' REMARKS

The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for any further comments.

The Auditors Report does not contain any qualification, reservation adverse remarks or disclaimer.

29. SECRETARIAL AUDITOR

The Company had appointed M/s. P. Kathuria & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2017-18, pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report is annexed herewith as **Annexure VI** for kind attention of the Members. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

30. INTERNAL AUDITOR

Based on the Audit Committee recommendations, the Board had appointed of M/s BGJC & Associates, Chartered Accountants (ICAI Firm Registration No.003304N) as its Internal Auditor for the financial year 2018-19. During the year under review, the Company continued to implement the suggestions and recommendations made by the previous Internal Auditors M/s KRA & Associates, Chartered Accountants, to improve the control environment.

31. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Board Reports to the members that with the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behavior and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, the Company on the recommendation of the Audit Committee has adopted a Whistle Blower Policy. The policy adopted by the Company contains a framework whereby the identity of complainant is not disclosed. The Policy has been disclosed on the website of the Companywww.bhilwaraenergy.com.

32. EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) oftheCompaniesAct,2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form **MGT 9** as **Annexure V** is annexed hereto. The Annual Return and extract of Annual Return in form MGT-9 is also placed on the website of the Companywww.bhilwaraenergylimited.com.

33. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge state the following:

(a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
(b) that such accounting policies had been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss of the company that period;
(c) that the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
(d) that the annual financial statement has been prepared on a going concern basis;
(e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
(f) that the Company had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. GENERAL DISCLOSURE

- The Company has a group policy in place against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

  The Company has complied with the provisions relating to constitution of Internal Complaints Committee under sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

  No complaints were received during the financial year 2017-18.

- There was no change in the name of the Company and its nature of business.
- The financial year of the Company was same as of previous year.

- To the best of our knowledge and belief there has been no instance of fraud that has occurred or reported in the Company, during the financial year 2017-18.
- During the year, there was no change in the issued share capital of the company.
- The Company is in compliance of all applicable secretarial standards issued by The Institute of Company Secretaries of India from time to time.
- The Company is not required to maintain the cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, and accordingly such Accounts and records are not made and maintained by the Company.
- The Company has made the necessary disclosure as per rule 8(5) of Companies Accounts Rules 2014.

35. ACKNOWLEDGEMENTS

Your directors acknowledge the assistance and continued support provided by the Ministry of Power and Ministry of Environment and Forests (Government of India), Government of Arunachal Pradesh, Government of Maharashtra, Government of Rajasthan, Government of Himachal Pradesh, Government of Federal Democratic Republic of Nepal, other Government Agencies, Lenders, Commercial Banks, Financial Institutions, PTC India Limited and our valued customers & look forward to their continued support and cooperation in the coming years as well. Your Directors also like to express great appreciation for the commitment and contribution of its employees at all levels.

Your Directors also place on record the appreciation for investors for their support and confidence reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
BHILWARA ENERGY LIMITED

PLACE: NOIDA (U.P.)
DATE: 17th August, 2018

RAVI JHUNJHUNWALA
CHAIRMAN
(DIN 00060972)

ANNEXURE – I TO THE DIRECTORS' REPORT

FORM AOC-1

Statement containing salient features of the financial statements of Subsidiaries (pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 (Form AOC-1)

Part"A": Subsidiaries

(Amount in lakhs)

Particulars/ subsidiaries	Malana Power Company Limited	AD Hydro Power Limited	Indo Canadian Consultancy Services Limited	Balephi Jalvidhyut Company Limited, Nepal	BG Wind Power Limited	NJC Hydro Power Limited	Chango Yangthang Hydro Power Limited
The date when subsidiary was acquired	10.08.2007	10.08.2007 **	31.03.2008	12.03.2009***	18.10.2017	16.12.2009	30.03.2011
Reporting Period	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
Reporting Currency	INR	INR	INR	INR	INR	INR	INR
Issued, subscribed & paid up capital	14,752.57	56,015.28	70.66	1,669.17	2,205.00	10,000.00	6,000.00
Reserves	1,04,434.42	-16,920.62	-10.35	106.53	-1,657.33	-80.47	-2,787.27
Total assets	**1,39,253.47**	**1,72,108.41**	**964.46**	**1,978.25**	**10,119.31**	**16,172.76**	**3,971.80**
Total liabilities	**20,066.48**	**1,33,013.75**	**904.15**	**202.56**	**9,571.65**	**6,253.23**	**759.07**
Investment (except in subsidiary)	-	-	-	-	-	-	-
Turnover	8,433.93	20,697.63	549.16	-	721.86	-	-
Profit before tax	9,120.59	609.87	-4.79	-	-1,975.99	-1.8	-2,749.88
Provision for tax	-2,787.25	355.98	-	-	-	-	-
Profit after taxation	11,907.84	253.89	-4.79	-	-1,975.99	-1.8	-2,749.88
Proposed Dividend	-	-	-	-	-	-	-
% of Shareholding	**51.00%**	**44.88%**	**75.50%**	**95.86%**	**100%**	**100%**	**100%**

Name of Subsidiaries which is yet to commence to operations:

1. NJC Hydro Power Limited
2. Chango Yangthang Hydro Power Limited
3. Balephi Jalvidhyut Company Limited, Nepal

Ø **Name of Subsidiaries which have been liquidated or sold during the year**

1. Bhilwara Green Energy Limited
2. LNJ Power Ventures Limited
3. Green Ventures Private Limited, Nepal

Part-B: Associate and Joint Ventures

The Company does not have any Associate/Joint Venture Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
BHILWARA ENERGY LIMITED

Ravi Jhunjhunwala	Riju Jhunjhunwala	Krishna Prasad	Ravi Gupta
Chairman	Managing Director	CFO	Company Secretary
DIN: 00060972	DIN:00061060		M.No. F5731

PLACE: NOIDA (U.P.)
DATE: 17th August, 2018

ANNEXURE – II TO THE DIRECTORS' REPORT

The information of employees receiving salary in excess of the limits as prescribed under the provisions of Section 197 read with Rule 5, sub rule 2 & 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 under the Companies Act, 2013, who were employed throughout or for a part of the financial year under review is given as under:

BHILWARA ENERGY LIMITED

(A) Names of the top ten employees in terms of remuneration drawn

S. No.	Name of Employee	Designation	Remuneration	Qualification	Experience	Age (in years)	Date of Commencement of Employment	Last Employment held at	Shareholding in the Company	Nature of employment	Whether employee is relative of Director
1	Mr. Riju Jhunjhunwala	Managing Director	4.017 Millions	MBA	14.5 years	39	30-Apr-09	N.A. as Promoter Director	NIL	Contractual	Mr. Riju Jhunjhunwala is the Brother of Mr. Rishabh Jhunjhunwala
2	Mr. Rishabh Jhunjhunwala	Managing Director	4.017 Millions	i)Bachelor of Computer Science in Engineering and Bachelor of Science in Philosophy from University of Michigan. ii) Master of Science in Mathematics and Foundations of Computer Science from University of Oxford, Merton College.	8 Years	35	3-Jun-10	N.A. as Promoter Director	NIL	Contractual	Mr. Rishabh Jhunjhunwala is the Brother of Mr. Riju Jhunjhunwala
3	Mr. Ravi Gupta	AGM & Company Secretary	2.71 Millions	B.Com, FCS, LLB	18 Years	40	15-Jul-2009	Sara Textiles Ltd.	NIL	Permanent	N.A.
4	Mr. Krishna Prasad	CFO(Assistant General Manager Finance)	2.17 Millions	B.Com, FCA	17 Years	45	19-Mar-2016	Lanco Mandakini Hydro Energy Pvt. Ltd.	NIL	Permanent	N.A.
5	*Ms. Kakoli Sengupta	Assistant (EHS) Officer	0.28 Millions	M.Sc, LLb	24 Years	47	1-Oct-2017	LNJ Power Ventures Limited	NIL	Permanent	N.A.
6	**Mr. Nitin Salunke	Assistant Manager Wind Projects	0.45 Millions	Diploma Mechanical Engineering	13 Years	39	1-Oct-2017	Bhilwara Green Energy Limited	NIL	Permanent	N.A.
7	***Mr. Raghvendra Shrivastav	Sr. Principal Engineer	0.13 Lac	M.Tech	20 Years	42	01.03.2018	Indo Canadian Consultancy Services Limited	NIL	Permanent	NO

(B) Names of every employee whose remueration falls under limit prescribed in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of Employee	Designation	Remuneration (in Rs. millions)	Qualification	Experience	Age	Date of Commencement of Employment	Last Employment held at	Shareholding in the Company	Nature of employment	Whether employee is relative of Director
1	-	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-	-

Note:

*During the year 2017-18, Ms. Kakoli Sengupta, Assistant (EHS) Officer was transferred from M/s LNJ Power Ventures Limited to Bhilwara Energy Limited w.e.f. 01st October, 2018.

**During the year 2017-18, Mr. Nitin Rajaram Salunke, Assistant Manager, Wind Projects was transferred from M/s Bhilwara Green Energy Limited to Bhilwara Energy Limited w.e.f. 01st October, 2018.

*** During the year 2017-18, Mr. Raghavendra Shrivastav, Sr. Principal Engineer, was transferred from M/s Indo Canadian Consultancy Services Limited to M/s Bhilwara Energy Limited w.e.f. 01st March, 2018. He further resigned from the company w.e.f. 01st April, 2018.

ANNEXURE III TO DIRECTOR'S REPORT

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of Energy NIL

(b) Technology Absorption

The Technology for Wind Power Project has been provided by AMSC Austria- subsidiary of USA based American Superconductors Corporation (AMSC) a well known Company in field of Wind Energy, through their business partners in India, who are acting as the EPC cum Project Developer. The operations and maintenance of the Wind Farm is also with the Project Developer. Our team has been extensively involved during all the phases of manufacturing, quality control, micrositing, erection and commissioning. The operations of the commissioned WTGs is also being monitored on a daily basis. The maintenance of the WTGs is also being monitored on an ongoing basis.

The operations of Wind Power plant is monitored through SCADA, for which suitable training has been provided to our staff through site visits and live generation system.

(c) Foreign Exchange Earnings and Outgo

(in Rs. Millions)

S.No.	**Particulars**	**2017-18**	**2016-17**
I	**Foreign Exchange Outgo**		
	Traveling	NIL	0.0116
	Professional charges	NIL	NIL
	Consultancy Charges	NIL	NIL
	Total	NIL	**0.0116**
II	**Foreign Exchange Earnings**		
	Foreign Exchange Earnings	NIL	NIL
	Total	**NIL**	**NIL**

ANNEXURE IV TO THE DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18.

S. No.	Particulars	Remarks
	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of the CSR Committee.	Refer to Point No. 17 (iv)& 23 on Corporate Social Responsibility in Director's Report.
1	Average Net Profit of the Company for last three financial years:	NIL
2	Prescribed CSR Expenditure (two percent of the amount as in item 1 above):	NIL
3	Details of CSR spent during the financial year 2017-18:	
	a. Total amount to be spent for the financial year 2017-18:	NIL
	b. Total amount spent during the financial year 2017-18:	NIL
	c. Amount unspent, if any:	NIL
	d. Manner in which the amount spent during the financial year:	NIL

Manner in which the amount spent during the financial year 2017-18:

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (State and district where projects or programs were undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the Project or Programs	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
			TOTAL	NIL	NIL	NIL	NIL

4. In case the Company has failed to spend the two percent of the average net profits of the last three financial years or part thereof, the reason for not spending the amount in the Board Report.

During the last three financial years, the Company had suffered losses. Hence, the Company was not required to spend any amount on the CSR activities.

5. A Responsibility Statement of the CSR Committee that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Riju Jhunjhunwala	Dr. Kamal Gupta
Managing Director	Chairman, CSR Committee
DIN: 00061060	DIN: 00038490

ANNEXURE V TO THE DIRECTORS REPORT

NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee with at least three or more non-executive Directors, out of which not less than one half shall be independent directors. The Company has already a Remuneration Committee with three Non-Executive Independent Directors. In order to align the same with the provisions of the Companies Act, 2013, the Board of Directors in their meeting held on 30th June, 2015, renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee and its Policy being in compliance with the provisions of Section 178 of the Companies Act, 2013, read with the applicable Rules applies to the Board of Directors, Key Managerial Personnel and the Senior management Personnel of the Company.

"Key Managerial personnel (KMP) means and comprise-

- Managing Director & Chief Executive officer;
- Whole-time Director;
- Company Secretary;
- Chief Financial Officer;
- Such other Officer as may be prescribed.

Senior Management comprise the personnel of the Company who are members of its core management team, excluding the Board of Directors, so also, that would also include all members of management one level below the Executive Directors, including Functional Heads.

Role and Objective of Committee:

1. To Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

2. Identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down in the policy.
3. Recommend to the Board the appointment and removal of Directors and Senior Management.
4. Carry out evaluation of every Director's performance.
5. Formulate criteria for evaluation of Independent Directors and the Board.
6. Recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel and Senior management.
7. To devise a policy on Board diversity
8. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run Company successfully.
9. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
10. To develop a Succession Plan for the Board and to review it regularly.
11. To perform such other functions as may be referred by the Board or be necessary in view of the provisions of the Companies Act, 2013 and Rules made thereunder.

Membership :

1. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half of them shall be independent.
2. Minimum two (2) members shall constitute a Quorum for a Committee meeting.
3. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman:

1. Chairman of the Committee shall be an Independent Director.
2. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings:

The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Member's Interests:

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Voting :

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall, for all purposes, be deemed to be a decision of the Committee.

2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

Appointment of Directors/KMP/Senior Officials:

While recommending a candidate for appointment, the Committee shall have regard to:

- Assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, experience, background and other qualities required to operate successfully;

- The experience and knowledge that the appointee brings to the role of KMP/Senior Officials, which, in turn, will enhance the skill sets and experience of the Board as a whole;

- The nature of existing positions held by the appointee including directorship and such other relationship and the impact of the same on the Company's welfare.

Letter of Appointment:

The letter of appointment issued by the Company, should contains the terms and conditions of his/her appointment.

Policy on Board Diversity:

The Nomination and Remuneration Committee shall ensure that the Board of Directors have the combination of Directors from different areas/fields or as may be considered appropriate in the best interests of the Company.

Remuneration of Directors, Key Managerial Personnel and Senior Management:

The salaries of Directors, Key Management Personnel and other senior officials shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any. The level and composition of remuneration/fee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management to run the company successfully. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

1. **Fixed Pay :**

   Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The salary paid need to be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities to be usually reviewed on an annual basis;

2. **Minimum Remuneration :**

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provision for excess remuneration :

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government.

4. Increment :

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Managerial Person.

Remuneration to Non-Executive/Independent Director:

1. Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made there under for the time being in force.

2. Sitting Fees:

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Directors' and Officers' Insurance

- Where any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel, Senior Management Personnel etc for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to such personnel.

Other Provisions:

- The Independent Directors shall not be entitled to any Stock Option.

Evaluation/ Assessment of Directors of the Company

The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis.

The following criteria may assist in determining how effective the performance of the Directors have been:

- Contributing to clearly define corporate objectives & plans
- Obtain adequate, relevant & timely information.
- Assess policies, structures & procedures
- Regular monitoring of corporate results against projections
- Review achievement of strategic and operational plans, objectives, budgets
- Identify, monitor & mitigate significant corporate risks
- Review management's Succession Plan
- Effective meetings
- Clearly defining role & monitoring activities of Committees
- Review of ethical conduct

Additionally, for evaluation/assessment of the Performances of Managing Director(s) / Whole Time Directors (s) of the Company, following criteria may also be considered.

- Leadership & stewardship abilities
- Communication of expectations & concerns clearly with subordinates
- Direct, monitor & evaluate KMPs, senior officials.

Evaluation following the aforesaid parameters, will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors relative to the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

DEVIATIONS FROM THIS POLICY:

Deviations on elements of this policy, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

ANNEXURE VI TO THE DIRECTORS REPORT

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[**Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**]

To
The Members,
Bhilwara Energy Limited (CIN: U31101DL2006PLC148862)
New Delhi

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bhilwara Energy Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period, covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (**Not applicable to the Company during the Audit period**)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv)Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (**All the following Regulations including amendments, if any, from time to time are not applicable to the Company during the Audit period**)

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(Bhilwara Energy Limited 2017-2018)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Other law applicable specifically to the Company, as identified and on the basis of representation given by the management:

- The Electricity Act, 2003.
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition &Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified and effective from 1st July, 2015).

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**(Not Applicable to the Company during the Audit period).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There was no dissenting vote for any matter.

(Bhilwara Energy Limited 2017-2018)
(Bhilwara Energy Limited 2017-2018)

I further report that I have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. Therefore, I am of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has undertaken events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.,

1. The Company held 5,69,60,070 equity sharesof Rs. 10/- each in its subsidiary Company Bhilwara Green Energy Limited (BGEL). The Company sold the said equity investment to Hero Wind Energy Private Limitedfor a consideration of Rs.129.25crore, wherein the Board has given its approval in its Board Meeting held on 16.05.2017. Subsequently, a resolution was passed by the members of the Company in the Extra-Ordinary General Meeting held on 08.06.2017 and afterwards, the Board took note of the same in its Board Meeting held on 11.12.2017.

Therefore, the Company Bhilwara Green Energy Limited ceased to be the subsidiary of the Company Bhilwara Energy Limited w.e.f. 25.10.2017.

2. The Company held 7,40,000 equity shares of Rs. 10/- each in its subsidiary Company LNJ Power Ventures Limited. The Company sold the said equity investment to Hero Wind Energy Private Limitedfor a consideration of Rs.8.52crore, wherein the Board has given its approval in its Board Meeting held on 16.05.2017. Subsequently, a resolution was passed by the members of the Company in the Extra-Ordinary General Meeting held on 08.06.2017 and afterwards, the Board took note of the same in its Board Meeting held on 11.12.2017.

Therefore, the Company LNJ Power Ventures Limited ceased to be the subsidiary of the Company Bhilwara Energy Limited w.e.f. 26.10.2017.

3. The Company held 89,32,000equity sharesof Rs. 10/- each constituting to 84.67% shareholding in its subsidiary Company Green Ventures Pvt. Ltd., Nepal (Likhu HEP). The Company sold the said equity investment to Triveni Energy Pvt. Ltd. for a consideration of Rs 21.807 crore, wherein the Board has given its approval in its Board Meeting held on 13.01.2017.

Therefore, the Company Green Ventures Pvt. Ltd., Nepal (Likhu HEP) ceased to be the subsidiary of the Company Bhilwara Energy Limited w.e.f. 14.12.2017.

4. The Company purchased 100% stake constituting 2,20,50,000 equity shares of BG Wind Power Limited from Bhilwara Green Energy Limited (BGEL) at a fair market valuation for which Valuation Report has been provided by independent Chartered Accountants M/s NSBP & Co. dated 30.09.2017, wherein the Board has given its approval in its Board Meeting held on 16.05.2017.

Therefore, the Company BG Wind Power Limited becomes the direct subsidiary of the Company Bhilwara Energy Limited w.e.f. 18.10.2017.

This report is to be read with my letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.

FOR P. KATHURIA & ASSOCIATES
COMPANY SECRETARIES

(PRADEEP KATHURIA)
FCS 4655
CP 3086

PLACE: NEW DELHI
DATE:09.07.2018

Annexure-I

To
The Members
Bhilwara Energy Limited (CIN: U31101DL2006PLC148862)
New Delhi

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial record and Books of Accounts of the company since the same have been subject to review by Statutory Auditor.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR P. KATHURIA & ASSOCIATES
COMPANY SECRETARIES

(PRADEEP KATHURIA)
FCS 4655
CP 3086

PLACE: NEW DELHI
DATE:09.07.2018

ANNEXURE VII TO THE DIRECTORS REPORT

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U31101DL2006PLC148862
ii)	Registration Date	17/05/2006
iii)	Name of the Company	Bhilwara Energy Limited
iv)	Category / Sub-Category of the Company	Public Company/ Limited by shares Indian Non Government Company
v)	Address of the registered office and contact details	Bhilwara Bhawan, 40-41, Community Centre, New Friends Colony, New Delhi-110025
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any-	Skyline Financial Services Private Limited, D-153A, Ist Floor, Okhla Industrial Area, Phase – I, New Delhi-110020. Tel.: 011 64732681-88 Fax: +91 11 26812682|

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Power Generation	35106	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Malana Power Company Limited	U40101HP1997PLC019959	Subsidiary Company	51%	2(87)
2.	AD Hydro Power Limited	U40101HP2003PLC026108	Subsidiary of Subsidiary Company	-	2(87)
3.	BG Wind Power Limited	U40300DL2014PLC272660	Subsidiary Company	100%	2(87)
4	NJC Hydro Power Limited	U40101DL2009PLC196998	Subsidiary Company	100%	2(87)
5.	Chango Yangthang Hydro Power Limited	U40101HP2011PLC031772	Subsidiary Company	100%	2(87)
6.	Indo Canadian Consultancy Services Limited	U74899DL1995PLC064168	Subsidiary Company	75.50%	2(87)
7.	Balephi Jalvidhyut Company Limited, Nepal	-	Subsidiary Company	95.86%	2(87)

NOTE

During the year 2017-18, M/s Bhilwara Green Energy, M/s LNJ Power Ventures Limited and M/s Green Ventures Private Limited ceased to be the subsidiaries of M/s Bhilwara Energy Limited. M/s BG Wind Power Limited which was earlier the subsidiary of M/s Bhilwara Green Energy Limited and step down subsidiary of M/s Bhilwara Energy Limited was fully acquired by the Company on 18th October, 2017 and is now the wholly owned subsidiary of M/s Bhilwara Energy Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a. Individual/HUF	9,988,966	3	9,988,969	6.026	9,988,966	3	9,988,969	6.026	0%
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	131,997,699	-	131,997,699	79.632	131,997,699	-	131,997,699	79.632	0%
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	-	-	-	-
(2) **Foreign**	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**141,986,665**	**3**	**141,986,668**	**85.66**	**141,986,665**	**3**	**141,986,668**	**85.66**	**0**
B. **Public Shareholding**									
1. **Institutions**	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	8,360,238		8,360,238	5.04	8,360,238		8,360,238	5.04	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	3,281,818		3,281,818	1.98	3,281,818		3,281,818	1.98	0
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**11,642,056**	-	**11,642,056**	**7.02**	**11,642,056**	-	**11,642,056**	**7.02**	0
2. **Non-Institutions**	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	172,727	-	172,727	0.10	172,727	-	172,727	0.10	0
ii) Overseas		11,957,860	11,957,860	7.21		11,957,860	11,957,860	7.21	0
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal capital in excess of Rs 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**172,727**	**11,957,860**	**12,130,587**	**7.32**	**172,727**	**11,957,860**	**12,130,587**	**7.32**	**0**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**153,801,448**	**11,957,863**	**165,759,311**	**100**	**153,801,448**	**11,957,863**	**165,759,311**	**100**	**0**

ii. SHAREHOLDING OF PROMOTERS

S.I. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Ravi Jhunjhunwala	8,287,966	5.00%	-	8,287,966	5.00%	-	-
2	Lakshmi Niwas Jhunjhunwala	574,875	0.35%	-	574,875	0.35%	-	-
3	Mani Devi Jhunjhunwala	771,750	0.47%	-	771,750	0.47%	-	-
4	Ravi Jhunjhunwala (HUF)	0	0.00%	-	0	0.00%	-	-
5	Shubkaran Lakshmi Niwas (HUF)	354,375	0.21%	-	354,375	0.21%	-	-
6	Riju Jhunjhunwala (in trust for fractional holding)	3	0.00%	-	3	0.00%	-	-
7	HEG Ltd	48,881,556	29.49%	-	48,881,556	29.49%	-	-
8	RSWM Ltd	29,463,559	17.77%	-	29,463,559	17.77%	-	-
9	LNJ Spark Advisory Services Limited	35,469,782	21.40%	-	35,469,782	21.40%	-	-
10	Bharat Investment Growth Ltd.	2,294,523	1.38%	-	2,294,523	1.38%	-	-
11	Purvi Vanijya Niyojan Ltd.	1,123,066	0.68%	-	1,123,066	0.68%	-	-
12	Raghav Commercial Ltd.	2,523,787	1.52%	-	2,523,787	1.52%	-	-
13	India Tex Fab Marketing Ltd.	2,579,700	1.56%	-	2,579,700	1.56%	-	-
14	Kalati Holdings Pvt. Ltd.	1,716,750	1.04%	-	1,716,750	1.04%	-	-
15	LNJ Financial Services Ltd.	6,116,253	3.69%	-	6,116,253	3.69%	-	-
16	Nivedan Vanijya Niyojan Ltd.	1,357,500	0.82%	-	1,357,500	0.82%	-	-
17	Investors India Ltd.	150,000	0.09%		150,000	0.09%	-	-
18	Shashi Commercial Co. Ltd.	251,250	0.15%	-	251,250	0.15%	-	-
19	Giltedged Industrial Securities Ltd	69,973	0.04%	-	69,973	0.04%	-	-
Total		**141,986,668**	**85.66%**	**0.00%**	**141,986,668**	**85.66%**	**0.00%**	

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sl. No.	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	141,986,668	85.66%	141,986,668	85.66%
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	**No Change during the year**			
	At the End of the year	141,986,668	85.66%	141,986,668	85.66%

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**New York Life Investment Management India Fund (FVCI) II LLC**				
	At the beginning of the year	3,281,818	1.98%		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	**No Change**			
	At the End of the year (or on the date of separation, if separated during the year)	3,281,818	1.98%		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	**Jacob Ballas Capital India Private Limited**				
	At the beginning of the year	172,727	0.10%		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	**No Change**			
	At the End of the year (or on the date of separation, if separated during the year)	172,727	0.10%		
3	**India Clean Energy III Limited**				
	At the beginning of the year	11,957,860	7.21%		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	**No Change**			
	At the End of the year (or on the date of separation, if separated during the year)	11,957,860	7.21%		
4	**International Finance Corporation**				
	At the beginning of the year	8,360,238	5.04%		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons	**No Change**			

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	8,360,238	5.04%		

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Ravi Jhunjhunwala**				
	At the beginning of the year	8,287,966	5.00%		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No Change			
	At the End of the year	8,287,966	5.00%		

- **Except above, none of the Directors and KMP is holding any share in the company.**

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding / accrued but not due for payment

(Rs. in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	208.54	-	-	208.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**208.54**	**-**	**-**	**208.54**
Change in Indebtedness during the financial year				
* Addition	59.30	-	-	59.30
* Reduction	(208.23)	-	-	(208.23)
Net Change	**(148.93)**	**-**	**-**	**(148.93)**
Indebtedness at the end of the financial year				
i) Principal Amount	59.61	-	-	59.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**59.61**	**-**	**-**	**59.61**

Notes

During the year, the company has availed term loan facility of Rs. 55,63,44,000 from Aditya Birla Finance Limited to prepay IREDA Loan.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs. Million)

Sl. No.	Particulars of Remuneration	Name of Managing Director		
1	Gross salary	**Mr. Riju Jhunjhunwala**	**Mr. Rishabh Jhunjhunwala**	**Total Amount**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.495	3.495	6.99
	(b) V alue of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	LTA	0.105	0.105	0.210
	P.F.	0.417	0.417	0.834
	Total (A)	**4.017**	**4.017**	**8.034**
	Ceiling as per the Act	**Rs 120Lakhs for each managerial person (as per Schedule V of the Companies Act, 2013)**		

B. Remuneration to other Directors:

1. Independent Directors				
S. No.	Particulars of Remuneration	Name of Directors		Total Amount (In Rs.)
		Dr. Kamal Gupta	Ms. Niharika Bindra	
1	Fee for attending board & committee meetings	Nil	Nil	Nil
2	Commission	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil
	Total (1)	**Nil**	**Nil**	**Nil**
2. Other Non-Executive Directors				
Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (In Rs.)
		Mr. Ravi Jhunjhunwala	Mr. Rajeev Kalra	
1	Fee for attending board committee meetings	Nil	Nil	Nil
2	Commission	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil
4	**Total (2)**	Nil	Nil	Nil
	Total =(1+2)	**Nil**	**Nil**	**Nil**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel (in Rs. Million)		
		Mr. Krishna Prasad (Chief Financial Officer)	Mr. Ravi Gupta (Company Secretary)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.079	2.586	4.665
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify			
	P.F.	0.091	0.124	0.215
	Total (A)	**2.17**	**2.71**	**4.88**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any(give Details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					

Independent Auditors' Report

To The Members of Bhilwara Energy Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Bhilwara Energy Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2018, the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

13, COMMUNITY CENTRE, EAST OF KAILASH, NEW DELHI - 110065. PHONES : 41621352, 26472557, 26419079
FAX : 91-011-41326811 E-mail : doogarco@hotmail.com

estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;

    c) The balance sheet, statement of profit and loss including the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;

    e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

i. The company doesn't have any pending litigation which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Doogar & Associates
Chartered Accountants
Firm's Registration No. 000561N

DOOGAR & ASSOCIATES * Firm Regn. No. 000561N New Delhi * Chartered Accountants

Mukesh Goyal
Partner
Membership No: 081810

Place: New Delhi
Date: May 3, 2018

Annexure A to the Independent Auditor's Report

To the Members of Bhilwara Energy Limited

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section of our report of even date

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

b) Verification of the fixed assets is being conducted based on a program designed by the management which, in our opinion is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management, the title deeds of immovable properties are held in the name of the company. These title deeds have been given as security (mortgage and charge) against the term loans taken from financial institutions and accordingly the original title deeds are kept with financial institution.

(ii) According to the information and explanation given to us and the records examined by us, the company is not having any inventory, therefore the provisions of clause 3(ii) of the said CARO 2016 Order are not applicable to the Company.

(iii) According to the information and explanation given to us, the Company has granted unsecured interest free loans to its Subsidiaries viz. Chango Yangthang Hydro Power Limited, NJC Hydro Power Limited, BG Wind Power Limited covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grants of such loans are, in our opinion, not prejudicial to the Company's interest.

b) The Company has granted tenure based loans as well as loans re-payable on demand as agreed, to parties covered in the register maintained under section 189 of the Act. In respect of tenure based loans, the loans have been appropriately rolled forward. The repayments of loans are as per tenure only. In respect of loans which are granted as re-payable on demand, we are informed that the Company has not demanded repayment of any such loan during the year and thus there has been no default on the part of the parties to whom the money has been lent.

c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable.

DOOGAR & ASSOCIATES * Firm Regn. No. 000561N New Delhi * Chartered Accountants *

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable.

(vi) The Central Government of India, has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the company's product and are of the opinion that, company has not crossed the threshold limit of the turnover and accordingly these are not being maintained.

(vii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion:

a) The Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

b) There were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable as at March 31, 2018.

c) There are no dues in respect of sales tax, income tax, services tax, excise duty, custom duty and value added tax which have not been deposited on account of any dispute as on March 31, 2018.

(viii) According to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions/banks. The Company has not issued any debentures.

(ix) The company has not raised any monies by way of initial public offer or further public offer during the financial year. Further, according to the information and explanations given to us, the company has utilized the monies raised by way of term loans for the purposes for which those were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) As the Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act, as applicable and the details have been disclosed in these Financial Statements as required by the applicable accounting standards.

& ASSOCIATES
Firm Regn. No. 000561N
New Delhi
Chartered Accountants

(xiv) As the company has not made any preferential allotment and private placement of shares or fully or partly convertible debentures during the year under review, hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and on the basis of information and explanations given to us, during the year the company has not entered into non-cash transactions with its directors and persons connected with him. Hence, the provisions of section 192 of Act are not applicable.

(xvi) In our opinion and on the basis of 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 Doogar & Associates
Chartered Accountants
Firm's Registration No. 000561N

DOOGAR & ASSOCIATES * Firm Regn. No. 000561N New Delhi * Chartered Accountants

Mukesh Goyal
Partner
Membership No: 081810

Place: New Delhi
Date: May 3, 2018

Annexure B to the Independent Auditor's Report

To the members of Bhilwara Energy Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Bhilwara Energy Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone 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 issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.
We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, 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.
An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.
Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 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:

Doogar & Associates * Chartered Accountants * Firm Regn. No. 000561N New Delhi

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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

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

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Doogar & Associates
Chartered Accountants
Firm's Registration No. 000561N

DOOGAR & ASSOCIATES * Chartered Accountants
Firm Regn. No. 000561N
New Delhi

Mukesh Goyal
Partner
Membership No: 081810

Place: New Delhi
Date: May 3, 2018

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Balance Sheet as at March 31, 2018

(Amount in ₹)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
I ASSETS			
A Non-Current Assets			
i Property, Plant and Equipment	3	74,78,38,063	78,58,95,099
ii Capital work-in-progress	4	-	33,39,61,492
iii Financial Assets			
a. Investments	5	3,32,78,44,523	4,35,34,79,733
b. Loans	6	2,06,22,671	30,025
c. Other Financial Assets	7	2,78,15,551	25,75,788
iv Other Non-Current Assets	8	25,44,448	42,94,155
		4,12,66,65,256	**5,48,02,36,292**
B Current Assets			
i Financial Assets			
a. Trade Receivables	9	2,35,71,303	11,83,59,510
b. Cash and cash equivalents	10	92,53,609	3,97,985
c. Loans	6	77,49,30,733	81,11,06,118
d. Other Financial Assets	7	3,80,10,448	4,34,75,052
ii Other Current Assets	8	12,60,321	14,20,328
		84,70,26,414	**97,47,58,993**
Total Assets		**4,97,36,91,670**	**6,45,49,95,285**
II EQUITY AND LIABILITIES			
A Equity			
i Equity Share Capital	11	1,65,75,93,110	1,65,75,93,110
ii Other Equity	12	2,66,04,34,086	2,67,57,97,796
		4,31,80,27,196	**4,33,33,90,906**
B Liabilities			
Non-Current Liabilities			
i Financial Liabilities			
a. Borrowings	13(a)	50,72,12,400	1,64,72,16,190
ii Provisions	15	45,71,403	39,15,131
		51,17,83,803	**1,65,11,31,321**
Current Liabilities			
i Financial Liabilities			
a. Borrowings	13(b)	3,97,91,642	16,33,38,778
b. Other Financial Liabilities	14	10,22,41,305	30,36,36,083
ii Other Current Liabilities	16	16,54,071	33,34,863
iii Provisions	15	1,93,653	1,63,334
		14,38,80,671	**47,04,73,058**
Total Equity and Liabilities		**4,97,36,91,670**	**6,45,49,95,285**

Significant Accounting Policies 2

Accompanying notes (1-46) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

DOOGAR & ASSOCIATES Firm Regn. No 000561N New Delhi Chartered Accountants

Mukesh Goyal
Partner
Membership No. 081810

Place: Noida (U.P.)
Date: 3rd May 2018

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Riju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5731

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Statement of Profit & Loss for the Year Ended March 31, 2018

(Amount in ₹)

	Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
i	Revenue From Operations	18	13,74,81,022	16,20,95,929
ii	Other Income	19	81,03,55,951	3,64,20,641
	Total Revenue		94,78,36,973	19,85,16,570
iii	**Expenses**			
	Employee Benefits Expense	20	2,37,37,688	1,81,10,741
	Finance Costs	21	18,89,64,125	25,43,09,196
	Depreciation and amortization expense	23	3,81,15,241	3,81,64,060
	Other Expenses	24	37,85,59,352	6,95,26,909
	Total Expenses		62,93,76,406	38,01,10,906
iv	**Profit / (Loss) before exceptional items and tax**		31,84,60,567	(18,15,94,336)
v	**Exceptional items**	22	33,39,61,492	-
vi	**Profit / (Loss) before tax**		(1,55,00,925)	(18,15,94,336)
vii	**Tax Expense**			
	MAT Credit taken in previous years charged off	17	-	-
	Current Tax		-	-
	Deferred tax		-	-
viii	**Profit / (Loss) for the period**		(1,55,00,925)	(18,15,94,336)
ix	**Other Comprehensive Income**			
a	(i) Items that will not be reclassified to profit or loss	25	1,37,215	(7,79,325)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
b	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income		(1,53,63,710)	(18,23,73,661)
x	**Earnings per Equity Shares**			
	1) Basic (in ₹)	26	(0.09)	(1.10)
	2) Diluted (in ₹)	26	(0.09)	(1.10)

Significant Accounting Policies 2
Accompanying notes (1-46) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

Mukesh Goyal
Partner
Membership No. 081810

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Riju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5731

Place: Noida (U.P.)
Date: 3rd May 2018

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Cash Flow Statement For The year ended March 31, 2018

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net operating profit/(loss) before tax	(1,55,00,925)	(18,15,94,336)
Depreciation of Property Plant and Equipment	3,81,15,241	3,81,64,060
(Profit)/ loss on disposal of Property, plant and equipment ,excess provision written back	(2,15,967)	57,659
Provision for Gratuity and leave encashment	8,23,806	4,97,565
Finance Cost	18,89,64,125	25,31,59,196
Interest Income	(91,85,328)	(1,93,21,970)
Impairment of Diminution in Value of Investments	5,83,87,539	6,39,25,162
Dividend Income	-	(807)
Diminution in Value of Investments	30,00,00,000	-
Profit on sale of Investment	(45,05,35,407)	-
Provision on Diminution written back	(36,90,89,250)	-
CWIP Charged off (exceptional item)	33,39,61,492	-
Non Cash adjustment in Quoted Equity Investment	9,682	-
PPE Discard	85,439	-
Operating Profit/(loss) before Working Capital changes	7,58,20,447	15,48,86,529
(Increase) / Decrease in trade receivables	9,47,88,207	(2,72,82,685)
(Increase) / Decrease in loan (financial assets)	3,61,75,385	(2,68,10,135)
(Increase) / Decrease in other financial assets	1,20,64,604	(83,56,082)
(Increase) / Decrease in other current assets	1,60,007	10,95,816
Increase / Decrease in other financial assets (FDR)	-	2,00,00,000
Increase / (Decrease) in other financial liabilities	52,29,122	(1,97,80,453)
Increase / (Decrease) in other current liabilities	(16,80,792)	(20,88,788)
	22,25,56,981	9,16,64,202
	17,49,707	1,11,88,650
Net cash flow (used) in/ from Operating Activities	22,43,06,688	10,28,52,852
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	25,85,328	1,36,80,357
Dividend Income	-	807
Purchase of Subsidary (BG Windpower) and Investment	(10,89,07,354)	-
Loan to Subsidiary	(2,05,92,646)	-
Investment in FDR (additional FDR)	(2,52,39,763)	2,17,75,673
Sale of Investment In Subsidary	1,59,57,70,000	-
Sale of Fixed Assets	3,73,524	(5,51,610)
Purchase of Fixed Assets	(3,01,200)	-
Refund of VAT on Fixed asset	-	58,11,838
Receipt from disposal of asset	-	2,63,646
Increase / (Decrease) Investments in shares	-	(35,33,000)
Net cash flow (used) in/ from Investing Activities	1,44,36,87,889	3,74,47,711
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of ABFL Loan	(1,36,57,55,400)	(20,09,61,900)
Repayment of Overdraft Account	(12,35,47,137)	16,33,38,778
Interest paid	(16,98,36,415)	(24,89,03,607)
Net cash flow (used) in/ from Financing Activities	(1,65,91,38,952)	(28,65,26,729)
Net increase/(decrease) in Cash & Cash equivalent	88,55,625	(14,62,26,166)
Cash & Cash equivalent at the beginning of the year	3,97,985	14,66,24,151
Cash & Cash equivalent at year end	92,53,609	3,97,985
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-		
i) Cash Balance on Hand	63,057	31,058
ii) Balance with Banks :		
-In Current Accounts	12,44,995	3,66,927
Cheques in hand	79,45,557	-
Total	92,53,609	3,97,985

Significant Accounting Policies 2
Accompanying notes (1-46) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Mukesh Goyal
Partner
Membership No. 081810

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Riju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5731

Bhilwara Energy Limited

Place: Noida (U.P.)
Date: 3rd May 2018

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Statement of Changes in Equity for the year ended March 31, 2018

(Amount in ₹)

a. Equity share capital

Particulars	**No. of Shares**	**Amount**
Balance as at April 1, 2016		
Balance at the beginning of the reporting period	16,57,59,311	1,65,75,93,110
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	**16,57,59,311**	**1,65,75,93,110**
Balance as at April 1, 2017		
Balance at the beginning of the reporting period	16,57,59,311	1,65,75,93,110
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	**16,57,59,311**	**1,65,75,93,110**

b. Other equity

Particulars	**Reserves & Surplus**			**Total**
	Capital Reserve	**Securities Premium Account**	**Retained earnings**	
Balance at April 1, 2016	**10,11,758**	**4,16,41,56,152**	**(1,30,69,96,453)**	**2,85,81,71,456**
Profit during the year	-	-	(18,15,94,336)	(18,15,94,336)
-Remeasurement of defined benefit obligation	-	-	(7,79,325)	(7,79,325)
Total comprehensive income for the year	-	-	**(18,23,73,661)**	**(18,23,73,661)**
Balance at March 31, 2017	**10,11,758**	**4,16,41,56,152**	**(1,48,93,70,114)**	**2,67,57,97,796**
Balance at April 1, 2017	**10,11,758**	**4,16,41,56,152**	**(1,48,93,70,114)**	**2,67,57,97,796**
Profit during the year	-	-	(1,55,00,925)	(1,55,00,925)
-Remeasurement of defined benefit obligation	-	-	1,37,215	1,37,215
Total comprehensive income for the year	-	-	**(1,53,63,710)**	**(1,53,63,710)**
Balance at March 31, 2018	**10,11,758**	**4,16,41,56,152**	**(1,50,47,33,824)**	**2,66,04,34,086**

Significant Accounting Policies 2
Accompanying notes (1-46) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

Mukesh Goyal
Partner
Membership No. 081810

Place: Noida (U.P.)
Date: 3rd May 2018

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Riju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5731

BHILWARA ENERGY LIMITED

1. Corporate information

Bhilwara Energy Limited (the 'Company'), is a public limited company incorporated on 17th May, 2006 under the erstwhile Companies Act,1956 situated in the NCT of Delhi. The company is engaged in the establishment, operation and maintenance of power generating stations and tie- lines, sub-stations and main transmission lines connected therewith. Currently, the company is engaged in various ventures including 14MW wind power project which had become operational during the year 2013-14.

2. Significant accounting policies

2.1. Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1st April 2016, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016. The Company has prepared its financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian GAAP').

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared under the historical cost convention on the accrual basis. The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except otherwise stated.

2.2. Summary of significant accounting policies

a) Current versus Non-Current

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:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle
2. Held primarily for the purpose of trading
3. Expected to be realised within twelve months after the reporting period, or
4. 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:

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

The Company classifies all other liabilities 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.

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

b) Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Critical accounting estimates and judgments:

The areas involving critical estimates and judgments are:

Service Concession Arrangements

Management has assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the company. In assessing the applicability, management has exercised significant judgment in relation to the underlying ownership of the asset, terms of the power distribution arrangements entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to granted cash, significant residual interest in the infrastructure, etc. Based on detailed evaluation, management has determined that this arrangement does not meet the criterion for recognition as service concession arrangements.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Company believes that the useful life best represents the period over which the Company expects to use these assets.

Contingent liabilities

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Sale of Electricity:

Revenue from sale of electricity is recognized on the basis of billable electricity actually transmitted to customers.

Generation Based Incentive

Under the scheme, a GBI will be provided to wind electricity producers @ ₹0.50 per unit of electricity fed into the grid for a period not less than 4 years and a maximum period of 10 years with a cap of ₹100.00 Lakhs per MW. The total disbursement in a year will not exceed one fourth of the maximum limit of the incentive i.e. ₹25.00 Lakhs per MW during first four years.

Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). Interest income is included under the head 'Other Income' in the Statement of Profit and Loss.

Doogar & Associates * Chartered Accountants * Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

Dividend
Dividend on investment with mutual funds and others is recognized when the right to receive payment is established.

d) Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. It includes other 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.

When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction/ implementation, interest on term loans/debentures to finance fixed assets and expenditure on start-up/ commissioning of assets forming part of a composite project are capitalized up to the date of commissioning of the project as the cost of respective assets. Income earned during construction period is deducted from the total of the indirect expenditure.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Depreciation on tangible fixed assets is provided on the straight line method (SLM) using the rate arrived at based on the useful lives prescribed under Schedule II to the Companies Act 2013. All assets costing 5,000 or below are fully depreciated in the year of addition.

Asset description	Useful Life (Years)
Plant & machinery	22
Other equipment	5-10
Computers and Equipment's	3-6
Vehicle	8
Furniture & fixtures	10

Doogar & Associates * Chartered Accountants * Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

e) Intangible assets

An Intangible Assets is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets other than software are amortized over their expected useful life, not exceeding ten years.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end.

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

f) Impairment of Non-Financial Assets

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

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

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

g) 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 plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of 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 Group 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:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) 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.

Debt instrument at FVTOCI

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

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

Debt instrument 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.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments 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.

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

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 group 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group'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 (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group 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 group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- ➢ Trade receivables or contract revenue receivables; and
- ➢ All lease receivables resulting from transactions within the scope of Ind AS 17

& ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

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.

Loans and borrowings

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 costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

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 amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Foreign currency translation
Transactions in foreign currencies are initially recorded by the company 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.

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).

i) Retirement and other employee benefits

a. Provident fund:
Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

b. Gratuity:
The Company's liabilities on account of gratuity on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

c. Leave encashment
Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

d. Other short term benefits
Expenses in respect of other short term benefits are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

j) Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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.

l) Cash and cash Equivalents

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

m) Contingent Liability

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

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
All other borrowing costs are expensed in the period in which they occur.

p) Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to the Financial Statements for the Year Ended March 31, 2018

(Amount in ₹)

3 PROPERTY, PLANT & EQUIPMENT

Particulars	Tangible Assets								
	Free hold land	Plant & machinery	Project equipment	Electrical equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Gross Carrying Value									
As at April 1, 2016	2,94,00,000	87,27,64,876	10,96,563	5,87,824	3,43,760	6,95,084	16,25,846	74,86,762	91,40,00,715
Additions	-	-	-	-	-	-	-	5,51,610	5,51,610
Disposals	-	(58,11,838)	(51,738)	(1,65,175)	(34,100)	(6,60,172)	(7,16,184)	(6,08,035)	(80,47,242)
As at March 31, 2017	2,94,00,000	86,69,53,038	10,44,825	4,22,649	3,09,660	34,912	9,09,662	74,30,337	90,65,05,083
Additions	-	-	-	-	-	-	3,01,200	-	3,01,200
Disposals	-	-	(10,44,825)	(1,65,149)	(45,500)	(34,912)	(1,31,000)	(13,45,353)	(27,66,739)
As at March 31, 2018	2,94,00,000	86,69,53,038	-	2,57,500	2,64,160	-	10,79,862	60,84,984	90,40,39,544
Depreciation									
As at April 1, 2016	-	7,56,66,600	8,47,754	4,83,685	3,11,645	5,53,726	14,93,374	50,03,240	8,43,60,024
Charge for the year	-	3,73,85,233	97,493	41,760	8,933	40,985	28,391	5,61,265	3,81,64,060
Disposals	-	-	(45,379)	(1,46,946)	(32,395)	(5,65,488)	(6,79,895)	(4,43,997)	(19,14,100)
As at March 31, 2017	-	11,30,51,833	8,99,868	3,78,499	2,88,183	29,223	8,41,870	51,20,508	12,06,09,984
Charge for the year	-	3,73,85,233	92,716	25,293	8,933	2,057	59,152	5,41,857	3,81,15,241
Disposals	-	-	(9,92,584)	(1,59,167)	(39,260)	(31,280)	(1,24,990)	(11,76,462)	(25,23,744)
As at March 31, 2018	-	15,04,37,066	-	2,44,625	2,57,856	-	7,76,032	44,85,903	15,62,01,481
Net Carrying Value									
As at March 31, 2017	2,94,00,000	75,39,01,205	1,44,957	44,150	21,477	5,689	67,792	23,09,829	78,58,95,099
As at March 31, 2018	2,94,00,000	71,65,15,972	-	12,875	6,304	-	3,03,830	15,99,081	74,78,38,063

Note:-
i) All the assets are owned by Company except as mentioned otherwise.
ii) Refer note no. 13 for information Property, Plant and Equipment pledged as security.

4 CAPITAL WORK IN PROGRESS

Particulars	Amount
As at April 1, 2016	33,39,61,492
Additions	-
Transferred from CWIP	-
As at March 31, 2017	33,39,61,492
Additions	-
Charged to Statement of Profit & Loss*	(33,39,61,492)
As at March 31, 2018	-

* The Company has charged off CWIP relating to Khangteng Hydro Elcetric Project (7.5 MW) based on the internal assessment of the company, 100 % damage has been assessed to various works as abortive work and accordingly being charged up to the statement of profit and loss.

For details refer note no. 27

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

(Amount in ₹)

5 INVESTMENTS (NON-CURRENT)	As at March 31, 2018	As at March 31, 2017
Investments carried at cost		
Unquoted equity instruments		
Investment in subsidiaries		
75,238,123 (previous Year 75,238,123) equity shares of ₹10/- each of Malana Power Company Limited (includes 50 equity shares (previous year 50) held jointly with nominees of company).	1,81,03,38,300	1,81,03,38,300
5,33,500 (previous Year 5,33,500) equity shares of ₹10/- each of Indo Canadian Consultancy Services Limited (includes 50 equity shares (previous year 50) held jointly with nominees of company).	4,59,81,656	4,59,81,656
#### NIL (previous year 56,960,070) equity shares of ₹10/- each fully paid up of Bhilwara Green Energy Limited (includes NIL equity shares (previous year 60) held jointly with nominees of the company) *	-	56,93,45,343
22,05,000 (previous year NIL) equity shares of ₹10/- each fully paid up of BG Wind Power Limited (includes 6 shares (privious year NIL shares) held by individuals, the beneficial interest of which is with the Company) ##	5,00,00,000	-
10,00,00,000 (previous year 10,00,00,000) equity shares of ₹10/- each fully paid up of NJC Hydro Power Ltd (includes 6 equity shares (previous year 6) held jointly with nominees of company).	1,00,00,00,000	1,00,00,00,000
25,60,000 (previous year 25,60,000) equity shares of NR 100/- each fully paid up of Balephi Jalvidyut Co Ltd Nepal (overseas subsidiary company). The conversion rate has been taken as 1 INR = 1.6 NR (Nepali Rupee)	16,00,00,000	16,00,00,000
#### NIL (previous year 89,32,000) equity shares of NR 100/-each fully paid up of Green Venture Pvt. Ltd. Nepal (overseas subsidiary company). The conversion rate has been taken as 1 INR = 1.6 NR	-	56,84,89,250
#### NIL (previous year 7,40,000) equity share of ₹10/- each fully paid up of LNJ Power Ventures Limited (includes NIL equity shares (previous year 6) held jointly with nominees of the company) .**	-	74,00,000
Investment in others (unquoted)		
10,000 (previous year 10,000) equity share of ₹10/- each fully paid up of Odetta Realty Private Limited (includes 1 equity shares (previous year 1) held jointly with nominees of the company).	1,00,000	1,00,000
	3,06,64,19,956	4,16,16,54,549
Investment in others (quoted)		
489 (Previous year 489) equity shares of ₹10/- each fully paid up of Punjab & Sind Bank Limited [Market value of the investment ₹17,213 (Previous year ₹26,895)]	17,213	26,895
Investment in subsidiaries (unquoted)		
6,00,00,000 (previous year 6,00,00,000) equity share of ₹10/- each fully paid up of Chango Yangthang Hydro Power Limited (includes 6 equity shares (previous year 6) held jointly with nominees of the company). #	30,00,00,000	60,00,00,000
Investment in subsidiaries (Ind AS 109)		
Investment in BG Wind Power Limited (Interest free loan ₹7,95,00,000) ***	5,89,07,354	-
	35,89,24,567	60,00,26,895
Less: Provision for diminution in value of investments ###	9,75,00,000	40,82,01,711
	3,32,78,44,523	4,35,34,79,733
Aggregate amount of quoted investments	58,680	58,680
Market value of quoted investments	17,213	26,895
Aggregate amount of unquoted investments	3,42,53,44,523	4,76,16,81,444
Aggregate amount of impairment in value of investments	9,75,00,000	34,42,66,573
Investments carried at fair value through statement of profit and loss	17,213	26,895

*** The shares of Bhilwara Green Energy Limited held by the company had been pledged as follows:**

NIL shares (previous year 4,21,50,392 shares) face value of ₹10/- each pledged with IDBI Trusteeship Service Limited (on behalf of IFC & Senior NCD holders on first charge basis) against term loans sanctioned to BGEL by IFC for ₹68,70,00,000 (previous year ₹68,70,00,000) and issue of NCD of ₹1,77,44,36,000 by BGEL . The said shares are also pledged on subordinate charge basis in favour of IDBI Trusteeship Services Ltd. for the benefit of subordinate NCD holder of ₹32,16,08,000 issued by Bhilwara Green Energy Limited.

NIL share (previous year 1,48,09,618 shares) face value of ₹10/- each pledged on exclusive base with IDBI Trusteeeship Services Lymited for the benefit of subordinate NCD holder of ₹32,16,08,000 issued by Bhilwara Green Energy Limited.

**** The shares of LNJ Power Ventures Limited held by company had pledged as follows:-**

NIL shares (previous year 5,10,000 shares) face value of ₹10/- each with IDBI Trusteeship Service Limited (on the behalf of IFC & Yes Bank Ltd) against the term loan raised by LNJ Power Ventures Limited from Yes Bank Limited & International Finance Corporation amounting to ₹43,29,00,000 (previous year ₹43,29,00,000) & ₹40,95,00,000 (previous year ₹40,95,00,000) respectively.

 # The shares of Chango Yangthang Hydro Power Limited held by the company are pledged as follows:

1,79,99,999 shares (previous year 1,79,99,999 equity shares) face value of ₹10/- each are pledged with Yes Bank Ltd. for securing OD facility of ₹20,00,00,000 availed by the Company from Yes Bank.

 # Impairment of Investment in Chango Yangthang Hydro Power Limited.

The Board of Directors of Chango Yangthang Hydro Power Limited in order to realign the relation between assets and share capital of the Company and to accurately and fairly reflect the assets and liabilities of the Company in its books of accounts for true and fair presentation of the financial position of the Company, decided to reduce its share capital from ₹10/- per share to ₹5/- per share and accordingly filed an application with NCLT after getting requisite approval from the shareholders in the Extra Ordinary General Meeting held on 15th December, 2017. The Company being holder of 100% equity share has consented to the shareholder resolution for reduction of capital.

NCLT in its hearing dated 15th February 2018 has ordered to give notice to the Registrar of Companies, Regional Director and sole creditor (BEL) for filing their objection/reply/report regarding the proposed reduction within a period of 3 months from the date of receipt of notice. Next date fixed for hearing with NCLT is 25th May 2018. Bhilwara Energy Limited being 100% shareholder and sole creditors has already conveyed its consent to NCLT for such reduction in share capital.

On account of above, the value of investment is impaired. Therefore, impairment to the extent of ₹30,00,00,000 is charged off in the books of accounts, the value of investment has been adjusted accordingly.

Provision for Diminution in value of Investment (Share Purchase Agreement - Balephi Jalbidhyut Company Limited)

The company has entered into share purchase agreement on dated 08th January 2018 for disposal of its investment in Balephi Jalbidhyut Company Limited, Nepal. The difference in the carrying value and offer price has been provided in the financial amounting to ₹5,83,87,539 during the year. Provision for diminution in value of investments as on 31st March 2018 ₹9,75,00,000 (Previous year ₹3,91,12,461 and balance ₹36,90,89,250 was relating to Green Ventures Private Limited).

The shares of BG Wind Power Limited held by the company are pledged as follows:

1,12,45,500 equity shares (previous year NIL shares) face value of ₹10/- each are pledged on first charge basis with IDBI Trusteeship Services Limited for the benefit of Aditya Birla Finance Ltd. for term loan facility availed by BG Wind Power Limited. These 1,12,45,500 equity shares shall be pledged for the benefit of NCD holders upon release of pledge created for the benefit of Aditya Birla Finance Limited.

1,08,04,500 equity shares (previous year NIL shares) face value of ₹10/- each are pledged on first charge basis with IDBI Trusteeship Services Ltd. for the benefit of NCD holder of ₹32,16,08,000 issued by BG Wind Power Limited.

*** The Company has given interest free loan to its wholly owned subsdiary BG Wind Power Limited amount to ₹7,95,00,000. The present value of interest free loan discounted at @10.95% p.a. portion is recongnised as Company's investment and balance is shown under loan in Note No-7.

During the current financial year, the company has sold its entire equity investment in 3 subsidiary Companies (including 1 overseas subsidiary) i.e. Bhilwara Green Energy Limited, LNJ Power Ventures Limited and Green Ventures Private Limited, Nepal.

Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to the Financial Statements for the Year Ended March 31, 2018

(Amount in ₹)

6 LOANS	Non- Current: As at March 31, 2018	Non- Current: As at March 31, 2017	Current: As at March 31, 2018	Current: As at March 31, 2017
Security Deposits				
with government department and others	30,025	30,025	-	-
Loans and advances to related parties				
Unsecured,considered good	2,05,92,646	-	69,92,62,733	71,74,87,634
Loans to body corporates				
Unsecured,considered good	-	-	7,56,68,000	9,36,18,484
Doubtful	-	-	8,25,00,000	8,25,00,000
Less: allowance for doubtful security deposits	-	-	8,25,00,000	8,25,00,000
	2,06,22,671	**30,025**	**77,49,30,733**	**81,11,06,118**

7 OTHER FINANCIAL ASSETS	Non- Current: As at March 31, 2018	Non- Current: As at March 31, 2017	Current: As at March 31, 2018	Current: As at March 31, 2017
GBI claim receivable	-	-	21,79,518	42,55,295
Bank balance more than 12 month maturity*	28,15,551	25,75,788	-	-
Bank balance more than 12 month maturity (DSRA) **	2,50,00,000	-	-	-
Unbilled Revenue	-	-	40,00,562	89,91,200
Interest accrued on deposits & others	-	-	3,18,30,368	3,02,28,557
	2,78,15,551	**25,75,788**	**3,80,10,448**	**4,34,75,052**

Note:-

* Fixed Deposit in current year ₹28,15,551 (Previous year ₹25,75,788) with Vijaya Bank deposited with IREDA towards stamp duty. The company has fully prepaid IREDA Loan and have requested to IREDA to release the FDR.

** FDR of ₹2,50,00,000 is created for DSRA as security for loan of ₹55,63,44,000 given by Aditya Birla Finance Limited.

8 OTHER ASSETS	Non- Current: As at March 31, 2018	Non- Current: As at March 31, 2017	Current: As at March 31, 2018	Current: As at March 31, 2017
Considered Good, Unless Otherwise Stated				
TDS Receivable & Advance Taxes	25,44,448	42,94,155	-	-
Advance to Employees	-	-	3,04,559	3,83,472
Prepaid expenses	-	-	9,55,762	10,36,856
	25,44,448	**42,94,155**	**12,60,321**	**14,20,328**

9 TRADE RECEIVABLES	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured,Considered Good	2,35,71,303	11,83,59,510
	2,35,71,303	11,83,59,510

10 CASH AND CASH EQUIVALENTS	As at March 31, 2018	As at March 31, 2017
Cash & Cash Equivalents		
- Balance with banks		
On Current Accounts	12,44,995	3,66,927
- Cheques in hand	79,45,557	-
- Cash on hand	63,057	31,058
	92,53,609	**3,97,985**

11 EQUITY SHARE CAPITAL	As at March 31, 2018	As at March 31, 2017
Authorised		
20,00,00,000 (previous year 20,00,00,000) equity shares of ₹10/- each	2,00,00,00,000	2,00,00,00,000
40,00,000 (previous year 40,00,000) cummulative redeemable preference shares of ₹100/- each	40,00,00,000	40,00,00,000
Issued,subscribed and fully paid up		
16,57,59,311 (previous year 16,57,59,311) equity shares of ₹10/- each fully paid up	**1,65,75,93,110**	**1,65,75,93,110**

Notes:

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

	As at March 31, 2018		As at March 31, 2017	
Equity shares	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	16,57,59,311	1,65,75,93,110	16,57,59,311	1,65,75,93,110
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**16,57,59,311**	**1,65,75,93,110**	**16,57,59,311**	**1,65,75,93,110**

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the shareholders.

(b) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

(c) Details of equity shareholders holding more than 5% shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10 each fully paid up				
HEG Limited	4,88,81,556	29.49%	4,88,81,556	29.49%
RSWM Limited	2,94,63,559	17.78%	2,94,63,559	17.78%
Ravi Jhunjhunwala	82,87,966	5.00%	82,87,966	5.00%
LNJ Spark Advisory LLP	3,54,69,782	21.40%	3,54,69,782	21.40%
India Clean Energy III Limited	1,19,57,860	7.21%	1,19,57,860	7.21%
International Finance Corporation	83,60,238	5.04%	83,60,238	5.04%
	14,24,20,961	85.92%	14,24,20,961	85.92%

As per the records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership.

Firm Regn. No. 000561N New Delhi Chartered Accountants

(Amount in ₹)

12 OTHER EQUITY	As at March 31, 2018		As at March 31, 2017	
a.Capital reserve				
Balance at the beginning of the Financial year	10,11,758		10,11,758	
Balance at the end of the Financial year		**10,11,758**		**10,11,758**
b.Securities premium account				
Balance at the beginning of the Financial year	4,16,41,56,152		4,16,41,56,152	
Balance at the end of the Financial year		**4,16,41,56,152**		**4,16,41,56,152**
c.Surplus/(Deficit) in the Statement of Profit and Loss				
Balance at the beginning of the Financial year	(1,48,84,84,070)		(1,30,68,89,734)	
Addition during the Financial year	(1,55,00,925)		(18,15,94,336)	
Balance at the end of the Financial year		**(1,50,39,84,995)**		**(1,48,84,84,070)**
d.Other comprehensive Income				
Opening balance	(8,86,044)		(1,06,719)	
Addition during the period	1,37,215		(7,79,325)	
Closing balance		**(7,48,829)**		**(8,86,044)**
Total other equity		**2,66,04,34,086**		**2,67,57,97,796**

13 BORROWINGS	Non- Current		Current (Other Financial Liabilities)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(a) Term Loans - From Banks and Financial Institutions*				
-Rupee Loans from financial institutions (Secured)- ABFL-Project Loan	50,72,12,400	-	4,91,31,600	-
-Rupee Loans from financial institutions (Secured)- ABFL-Corporate Loan		1,11,00,00,000	-	21,00,00,000
-Rupee Loans from financial institutions (Secured)- IREDA	-	55,63,43,900	-	4,57,55,500
Less: Remeasurement of borrowings from term loan	-	(1,91,27,710)	-	-
	50,72,12,400	**1,64,72,16,190**	**4,91,31,600**	**25,57,55,500**
The above Term Loan includes				
Secured borrowings	50,72,12,400	1,64,72,16,190		
	50,72,12,400	**1,64,72,16,190**		

	Current	
	As at March 31, 2018	As at March 31, 2017
(b) Bank overdraft from YES BANK**	3,97,91,642	16,33,38,778
	3,97,91,642	**16,33,38,778**
The above Bank overdraft includes		
Secured borrowings	3,97,91,642	16,33,38,778
	3,97,91,642	**16,33,38,778**

I. Additional Disclosures
Term Loan Outstanding

Particulars	Carrying Value	Loan Maturity	Terms of Repayment
ADITYA BIRLA FINANCE LIMITED - (ABFL)	55,63,44,000	31.12.2026	Repayable in structured quarterly
	55,63,44,000		installments

ADITYA BIRLA FINANCE LIMITED (ABFL) - Project Loan for 14 MW Wind Power Project.

During the year, the company availed term loan facility of ₹55,63,44,000 from Aditya Birla Finance Limited to Prepay IREDA Loan. The loan carries interest @9.25% p.a. (Linked to ICICI Bank 1 Year MCLR) payable monthly. The loan is repayable in 35 Quarterly structured installments starting from 30th June 2018 and ending on 31st Dec 2026.

The loan is secured by first pari-passu charge way of mortgage and hypothecation on all immovable & movable fixed assets incl. but not limited to land, Plant & Machinery, current assets incl. Book debts, operating cash flow receivable, escrow accounts & other reserves all pertaining to 14 MW Wind project. The loan is also secured by DSRA equivelent to 1 quarter of principal & interest.

Bank overdraft from YES BANK**

In financial year 2016-17, the company has taken overdraft facility of ₹20,00,00,000 from Yes Bank. The purpose of the said limit is to meet short term cash flow mismatches. The limit is secured against subservient charge over entire current assets and movable fixed assets (both present and future) (except TRA/Sub Account and FDR's pledged as DSRA with other lenders) and pledge over 1,79,99,999 equity shares of Chango Yangthang Hydro Power Limited held by the Company. Interest rate is linked to Yes bank MCLR. As on date rate of interest is @11% p.a.

ADITYA BIRLA FINANCE LIMITED (ABFL) - Corporate Loan.

During the year, the company prepaid the entire corporate loan without any prepayment premium and consequently all charge were released on the security.

The facility was secured by pledge of minimum 26% of promoter shareholding in the company with an irrevocable power of attorney in favour of Security Trustee (for the benefit of lender) to sell/dispose the shares in the event of default and Demand Promissory note. The facility is further secured by subservient charge on all present and future current assets of the company except TRA/sub-account and FDR pledged/created as DSRA pertaining to 14 MW wind power project.

FOR IREDA LOAN

During the year, the company prepaid the entire outstanding loan by borrowing from Aditya Birla Finance Ltd.

The loan was repayable in 48 quarterly installments beginning from 31.03.2015. The said loan is secured by the mortgage on all immovable properties and hypothecation of movable assets of wind power project financed by IREDA. (The company has taken loan of ₹68,91,00,000 from IREDA to part finance the 14 MW Wind Power project). The loan carries interest @11.20% from 1st April, 2016.

14 OTHER FINANCIAL LIABILITIES	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term borrowings	-	-	4,91,31,600	25,57,55,500
Security deposits from employees	-	-	26,10,131	6,03,083
Creditors for capital expenditure	-	-	4,11,41,138	4,11,41,138
Sundry Creditors	-	-	10,93,891	-
Other Payable	-	-	56,09,003	61,36,362
Employee Related	-	-	26,55,542	-
	-	-	**10,22,41,305**	**30,36,36,083**

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

(Amount in ₹)

15 PROVISIONS

	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits				
-Gratuity	27,51,577	24,16,305	1,01,744	87,124
-Leave encashment	18,19,826	14,98,826	91,909	76,210
	45,71,403	39,15,131	1,93,653	1,63,334

16 OTHER LIABILITIES

	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Statutory dues payable	-	-	16,54,071	33,34,863
	-	-	16,54,071	33,34,863

17 INCOME TAX

a) Income tax recognized in statement of profitand or loss	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense		
Current year	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
	-	-

Firm Regn. No. 000561N New Delhi & Associates Chartered Accountants

Bhilwara Energy Limited

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to the Financial Statements for the Year Ended March 31, 2018

(Amount In ₹)

18 REVENUE FROM OPERATIONS

	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Sale of products and services	12,69,15,688	14,95,79,730
Less:- PPA charges	(3,60,000)	(3,60,000)
	12,65,55,688	**14,92,19,730**
b) Other operating Revenues		
GBI claim received	1,09,25,334	1,28,76,199
Revenue From Operations	**13,74,81,022**	**16,20,95,929**

19 OTHER INCOME

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on/from		
- Bank deposits	3,77,991	20,14,052
- Subsidiary	-	70,06,870
- Refund of Income Tax	-	21,01,770
- Others	88,07,336	81,99,278
Claim received	-	1,70,00,000
Excess Provision Written Back	9,447	87,888
Profit on sale of Fixed assets	2,06,520	-
Profit & Loss on Sale of Investment	80,09,54,657	-
Dividend income from non current investment	-	807
Fair Value of Investments	-	9,976
	81,03,55,951	**3,64,20,641**

20 EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	2,21,28,679	1,65,67,859
Contribution to provident & other funds	11,56,315	12,49,980
Workmen & staff welfare expenses	4,52,694	2,92,902
	2,37,37,688	**1,81,10,741**

21 FINANCE COST

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
On Fixed Loans using effective interest rate method	15,67,65,040	24,71,23,888
On Working Capital	1,30,71,375	59,45,398
Others	-	89,910
Other Borrowing Costs	1,91,27,710	11,50,000
	18,89,64,125	**25,43,09,196**

22 EXCEPTIONAL ITEMS

	For the year ended March 31, 2018	For the year ended March 31, 2017
CWIP Charged off*		
Civil Work 7.5 MW	32,88,81,865	-
Pre-operative interest	50,79,627	-
	33,39,61,492	-

***For detail refer Note 27**

23 DEPRECIATION AND AMORTIZATION EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Tangible Assets (Refer Note 3)	3,81,15,241	3,81,64,060
	3,81,15,241	**3,81,64,060**

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to the Financial Statements for the Year Ended March 31, 2018

(Amount in ₹)

24 OTHER EXPENSES		For the year ended March 31, 2018	For the year ended March 31, 2017
Rent, Rates & Taxes		9,17,489	5,06,663
Bank charges		92,131	8,516
Travelling & Conveyance Expenses		9,29,892	3,45,333
Telephone		1,18,854	3,94,648
Business Promotion		26,487	1,290
Insurance charges		11,97,335	13,90,553
Car running & maint. expenses		4,55,347	4,07,009
Repair & maintenance		70,169	1,10,047
Legal & Professional Charges		2,81,67,713	8,05,365
Printing & stationery		1,60,932	1,00,553
Miscellaneous expenses		6,92,766	10,77,337
Operation & Maintenance Expenses		31,49,016	-
Diminution in Value of Investments		5,83,87,539	6,39,35,138
Loss on Sale of Investment	35,04,19,250		
Less:- Provision already provided	(36,90,89,250)	(1,86,70,000)	
Impairment in Value of Investments		30,00,00,000	-
Sundry Balances Written Off		25,00,000	-
Fair Value of Investments		9,682	-
		37,82,05,352	**6,90,82,452**
Payment to auditor:			
- Audit fee		3,54,000	4,02,000
- Other services		-	17,252
- Other expenses		-	25,205
		3,54,000	**4,44,457**
		37,85,59,352	**6,95,26,909**

25 OTHER COMPREHENSIVE INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1,37,215	(7,79,325)
	1,37,215	**(7,79,325)**

26 EARNING PER SHARE	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Net Profit for Basic & Diluted EPS	**(1,55,00,925)**	**(18,15,94,336)**
b) Number of Equity Shares at the beginning of the year	16,57,59,311	16,57,59,311
Total Number of Shares outstanding at the end of the year	16,57,59,311	16,57,59,311
Weighted Average number of Equity Shares outstanding during the year - Basic	16,57,59,311	16,57,59,311
Weighted Average number of Equity Shares outstanding during the year - Diluted	**16,57,59,311**	**16,57,59,311**
Earning Per Share - Basic (₹)	**(0.09)**	**(1.10)**
Earning per share - Diluted (₹)	**(0.09)**	**(1.10)**
Face value per share (₹)	**10**	**10**

27 Khangteng Hydro Electric Project (7.50 MW) was taken up by the Company to provide construction power to its 780 MW Nyamjang Chhu Hydro Electric Project being developed by the Company through special purpose vehicle namely NJC Hydro Power Limited. The Company started construction work in the year 2009 by taking up various civil, hydro-mechanical and electro-mechanical work, and spent an amount of ₹33,39,61,492 from 2009 to Jan 2013.

However, subsequently work on this project was suspended by virtue of order from National Green Tribunal suspending environment clearance of MoEF for 780 MW project. The said environment clearance is still under suspension. Further it was observed that during the period from Jan 2013 to March 2018, all the works done by the Company on the project got seriously damaged and required to be re-done as and when the company restarts the construction.

Based on the internal assessment, 100% damage has been assessed to various works as abortive work and accordingly being charged up to the statement of profit and loss.

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

28. Segment Reporting

The Company's activities during the year involved power generation (Refer Note 1). Considering the nature of Company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Indian Accounting Standard 108 'Segment Reporting'. The Chief Operational Decision Maker monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

Revenue of the company is majorly from sale of electricity to only one customer.

29. Contingent Liability:

a) The Company has provided Guarantee in favour of International Finance Corporation (IFC) along with HEG Ltd. and RSWM Ltd. on joint and several basis on behalf of AD Hydro Power Ltd. (step down subsidiary) for ₹6,00,00,000 (previous year ₹6,00,00,000).

b) The Company has provided Guarantee for securing NCD of ₹32,16,08,000 (previous year ₹32,16,08,000) issued by wholly owned subsidiary M/s. Bhilwara Green Energy Limited. This corporate guarantee has fallen away as Company sold its entire investment in Bhilwara Green Energy Limited after obtaining prior approval of lender to whom corporate guarantee was given.

c) The Company has provided corporate guarantee in favour of IDBI Trusteeship Services Limited for the benefit of NCD debenture holder of ₹32,16,08,000 (previous year NIL) issued by wholly owned subsidiary M/s BG Wind Power Limited.

d) The Company has provided corporate guarantee for debt of ₹75,00,00,000 (previous year ₹75,00,00,000) availed by M/s BG Wind Power Limited (Wholly Owned Subsidiary) from Aditya Birla Finance Limited.

Note- Since the loss allowance was estimated to be nil, the guarantee is not recognised in the books.

30. Other disclosure

a) The company has sold its entire equity shares 89,32,000 investment in its subsidiary Green Ventures Private Limited for the consideration of ₹21,80,70,000 as against its total investment of ₹56,84,89,250 to Triveni Energy Private Limited dated 14th December 2017.

b) Balephi Jalvidhyut Company Limited, overseas subsidiary of the company incorporated to erect Balephi HEP 50 MW (down sized to 23.52 MW) hydro power plant in Nepal. During the current year, the company has entered into share purchase agreement with its joint venture partner M/s Triveni Hydro Power Private Limited, Nepal dated 8th January 2018 to sell its entire equity shares 25,60,000 for the consideration of ₹6,25,00,000 (Nepali ₹100,093,750) as against its total investment of ₹16,00,00,000. The due date for sale is 30th June 2018, subject to receipt of requisite approval by Nepali Party.

Therefore, the Company has made a total provision of ₹9,75,00,000 (earlier provision of ₹3,91,12,461 made in previous year 2016-17) for diminution in value of investments as on 31 March, 2018. The provision of ₹5,83,87,539 is debited in statement of profit and loss during the year 2017-18.

& ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

c) **Share Purchase Agreement of the Company with M/s Hero Wind Energy Private Limited**

i. The company/BEL has signed Share Purchase Agreement (SPA) on 25th October 2017 (Closing Date) with M/s Hero Wind Energy Private Limited (Hero) for sale of its entire equity stake in M/s Bhilwara Green Energy Limited (BGEL). In SPA, company has given indemnity to Hero for losses imposed on, sustained, incurred or suffered by or asserted against Hero, BGEL, its directors, officers or agents due to (a) any inaccuracy in or any breach of any warranty, (b) any non-fulfillment or breach or any covenants of BEL as mentioned in SPA, (c) due to petition filed by MSEDCL for reclassification of wind zone, or (d) specific indemnity for power failure as mention in SPA.

The liability of BEL towards indemnity is subject to the aggregate cap of ₹75,00,00,000 (except for fraud or willful misrepresentation). With in aggregate cap, the liability of BEL for (a) and (b) shall not exceed ₹30,00,00,000 and for (c) and (d) to ₹55,00,00,000. Further, if liability under item (c) does not crystallized within 2 years from Closing date i.e. 25th October 2017, then the aggregate cap shall be reduced to ₹30,00,00,000.

BEL shall not be liable to make payment of losses (except for fundamental warranty and fraud or willful misrepresentation) under indemnity unless and until such amount exceeds ₹40,00,000 in respect of single incidence of loss.

The Indemnity shall survive (i) for warranties for taxation matters- for 7 years (ii) BEL fundamental warranties or fraud or willful misrepresentation-- indefinitely (iii) for breach of covenants or warranties not covered by (i) or (ii)-- for 3 years.

MERC vide its order dated 3rd April 2018 disposed off the MSEDCL petition mentioned in (c) above citing no merit in MSEDCL contention.

ii. The company/BEL has signed Share Purchase Agreement (SPA) on 18th October 2017 (Closing Date) with M/s Hero Wind Energy Private Limited (Hero) for sale of its entire equity stake in M/s LNJ Power Ventures Limited (LNJPVL). In SPA, company has given indemnity to Hero for losses imposed on, sustained, incurred or suffered by or asserted against Hero, LNJPVL, its directors, officers or agents due to (a) any inaccuracy in or any breach of any warranty or (b) any non-fulfillment or breach or any covenants of BEL as mentioned in SPA.

The liability of BEL towards indemnity under SPA and CCD Purchase Agreement executed on 18th October 2017 amongst Hero, RSWM LIMITED and LNJPVL is subject to the aggregate cap of ₹10,00,00,000 (except for fraud or willful misrepresentation).

BEL shall not be liable to make payment of losses (except for fundamental warranty and fraud or willful misrepresentation) under indemnity unless and until such amount exceeds ₹15,00,000 in respect of single incidence of loss.

The Indemnity shall survive (i) for warranties for taxation matters- for 7 years (ii) BEL fundamental warranties or fraud or willful misrepresentation -- indefinitely (iii) for breach of covenants or warranties not covered by (i) or (ii) -- for 3 years.

d) The Company has given Sponsor Support Undertaking to the senior lenders (IFC and Senior NCD holders) of M/s Bhilwara Green Energy Limited (wholly owned subsidiary) till the achievement of Project Financial Completion. The Company has also given undertaking to maintain 100% shareholding in M/s Bhilwara Green Energy Limited till the achievement of Project Financial Completion and 51% thereafter.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

The company has also given corporate guarantee for NCD of ₹32,16,08,000 issued by Bhilwara Green Energy Limited. During the current year, the company after obtaining requisite approval from lender sold its entire equity stake in Bhilwara Green Energy Limited and so all sponsor support undertaking, corporate guarantee and undertaking for maintenance of shareholding has fallen away.

e) The Company has given Undertaking to the Senior lenders (IFC and Yes Bank Ltd) of M/s LNJ Power Ventures Limited (Subsidiary of the Company) to maintain shareholding (51% shareholding for IFC loan and 100% shareholding for Yes Bank loan). During the current year, the company after obtaining requisite approval from lender sold its entire equity stake in LNJ Power Ventures Limited and so all sponsor support undertaking and undertaking for maintenance of shareholding has fallen away.

f) For the NCD issued by BG Wind Power Limited, the NCD holder can have put option on the Company to purchase its NCD on 28th April 2019 by giving 30 days notice.

31. The Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("The Act") have been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. The information has been relied upon by the auditors.

32. The Company has given undertaking to IDFC Infrastructure Finance Limited, IDFC Infrastructure Finance Limited and India Infradebt Limited for loan of ₹49,00,00,000, ₹86,00,00,000 and ₹59,00,00,000 respectively availed by Malana Power Company Limited (one of the subsidiary company) to keep the management control and ownership of Malana Power Company Limited (MPCL) at all times during the currency of the facility which would mean (i) holding at least 51% of the issued and paid up equity share capital of MPCL and (ii) the ability to appoint the majority directors on the Board of Directors of MPCL. The Company has also given undertaking to the lenders of MPCL that it will ensure that Mr. Ravi Jhunjhunwala, his family and associates companies will maintain minimum 51% equity shareholding in the company. The Company has also given undertaking to the lenders of MPCL that it will ensure that MPCL is provided with requisite technical, financial and managerial expertise to perform/ discharge its obligations.

33. The Company has given a non disposal undertaking to IDBI Trusteeship Services Limited (Security trustee for the benefit IL&FS Infrastructure Debt Fund) for subscription of secured, redeemable, non-convertible debentures of ₹130,98,24,000 issued by AD Hydro Power Limited, subsidiary company of Malana Power Company Limited, one of the subsidiaries of the company, for non-transfer of shares of Malana Power Company Limited and shall effect no change in the management and control of AD Hydro Power Limited till the debenture trust deed is in force.

34. The Company has given undertaking to IDFC Infrastructure Finance Limited, IDFC Infrastructure Finance Limited, India Infra Debt Fund Limited and Indus Ind Bank Limited for loan of ₹55,46,02,000, ₹44,00,00,000, ₹117,00,00,000 and ₹160,00,00,000 respectively availed by M/s AD Hydro Power Limited (one of the Subsidiary company) to ensure that Mr. Ravi Jhunjhunwala, his family and associate companies maintain a minimum of 51% equity share holding in the company i.e. Bhilwara Energy Limited and the company continue to hold at least 51% management control and ownership in Malana Power Company Limited.

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Bhilwara Energy Limited

35. The company is operating 14MW (7 WTGs of 2 MW each) wind power project in Maharastra. The Power generated from this project is being sold to Maharashtra State Distribution Company Limited (MSEDCL) on long term Power Purchase Agreement (PPA) for 13 years. The agreement can be renewed or extended only by mutual written agreement with the parties.

36. Gratuity.

a. Assets and Liability (Balance Sheet Position)

(Amount in ₹)

Particulars	As on	
	31-Mar-18	31-Mar-17
Present Value of Obligation	28,53,321	25,03,429
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	**(28,53,321)**	**(25,03,429)**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(28,53,321)**	**(25,03,429)**

b. The Expenses Recognized during the period

(Amount in ₹)

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
In Income Statement	4,87,107	3,55,123
In Other Comprehensive Income	(1,37,215)	7,79,325
Total Expenses Recognized during the period	**3,49,892**	**11,34,448**

c. Change in present value of obligation

(Amount in ₹)

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at the beginning	**25,03,429**	**13,68,981**
Current Service Cost	2,99,484	2,47,051
Interest Expense or Cost	1,87,623	1,08,072
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(1,39,556)	1,58,930
- experience variance (i.e. Actual experience vs assumptions)	2,341	6,20,395
- others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**28,53,321**	**25,03,429**

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

(Amount in ₹)

Particulars	As on	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	1,01,744	87,124
Non-Current Liability (Long term)	27,51,577	24,16,305
Present Value of Obligation	**28,53,321**	**25,03,429**

a. **Expenses Recognized in the Income Statement**

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Current Service Cost	2,99,484	2,47,051
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	1,87,623	1,08,072
Expenses Recognised in the Income Statement	**4,87,107**	**3,55,123**

b. **Other Comprehensive Income (OCI)**

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(1,39,556)	1,58,930
- experience variance (i.e. Actual experience vs assumptions)	2,341	6,20,395
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	**(1,37,215)**	**7,79,325**

c. **Financial Assumptions**

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.80%	7.50%
Salary growth rate (per annum)	5.00%	5.00%

d. **Demographic Assumptions**

Particulars	As on	
	31-Mar-18	31-Mar-17
Mortality Rate (% of IALM 06-08)	100%	100%
Normal retirement age	60 Years	60 Years
Withdrawal rates, based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31-44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

e. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

(Amount in ₹)

Particulars	31-Mar-18	31-Mar-17
Defined Benefit Obligation (Base)	28,53,321	25,03,429

Particulars	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	33,50,951	24,45,915	29,62,759	21,31,108
(% change compared to base due to sensitivity)	17.40%	-14.30%	18.30%	-14.90%
Salary Growth Rate (- / + 1%)	24,32,497	33,60,303	21,19,869	29,69,987
(% change compared to base due to sensitivity)	-14.70%	17.80%	-15.30%	18.60%
Attrition Rate (- / + 50% of attrition rates)	27,25,601	29,69,897	23,90,823	26,05,401
(% change compared to base due to sensitivity)	-4.50%	4.10%	-4.50%	4.10%
Mortality Rate (- / + 10% of mortality rates)	28,48,110	28,58,504	24,99,250	25,07,583
(% change compared to base due to sensitivity)	-0.20%	0.20%	-0.20%	0.20%

f. Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	17 Years

Expected cash flows over the next (valued on undiscounted basis):	Amount in ₹
1 year	1,01,744
2 to 5 years	4,46,316
6 to 10 years	4,84,522
More than 10 years	1,07,64,744

37. Leave Encashment

a. Assets and Liability (Balance Sheet Position)

(Amount in ₹)

Particulars	As on	
	31-Mar-18	31-Mar-17
Present Value of Obligation	19,11,735	15,75,036
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	**(19,11,735)**	**(15,75,036)**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(19,11,735)**	**(15,75,036)**

b. Expenses Recognized in Income Statement

(Amount in ₹)

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Expenses Recognized in Income Statement	6,21,167	1,42,442

R & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

c. Changes in the Present Value of Obligation

(Amount in ₹)

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at the beginning	**15,75,036**	**14,32,594**
Current Service Cost	3,38,171	2,20,821
Interest Expense or Cost	1,18,043	1,13,094
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(80,844)	87,865
- experience variance (i.e. actual experience vs. assumptions)	2,45,797	(2,79,338)
- others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(2,84,468)	-
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**19,11,735**	**15,75,036**

Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

(Amount in ₹)

Particulars	As on	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	91,909	76,210
Non-Current Liability (Long term)	18,19,826	14,98,826
Present Value of Obligation as at the end	**19,11,735**	**15,75,036**

d. Expenses Recognized in Income Statement

(Amount in ₹)

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Current Service Cost	3,38,171	2,20,821
Past Service Cost	-	-
Loss/ (Gain) on settlement	-	-
Net Interest Cost / (Income) the Net Defined Benefit Liability / (Asset)	1,18,043	1,13,094
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(80,844)	87,865
- experience variance (i.e. actual experience vs. assumptions)	2,45,797	(2,79,338)
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Expenses Recognized in Income Statement	**6,21,167**	**1,42,442**

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

e. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.80%	7.50%
Salary growth rate (per annum)	5.00%	5.00%

f. Demographic Assumptions

Particulars	As on	
	31-Mar-18	31-Mar-17
Mortality Rate (as % of IALM 2006-08)	100%	100%
Normal retirement age	60 Years	60 Years
Withdrawal rates, based on age: (per annum)		
Up to 30 years	3%	3%
31-44 years	2%	2%
Above 44 years	1%	1%
Rate of Leave Availment (per annum)	1%	1%
Rate of Leave Encashment during employment (per annum)	0%	0%

g. Sensitivity Analysis

Significant actuarial assumptions for the determination of the leave liability are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

(Amount in ₹)

Particulars	31-Mar-18	31-Mar-17
Present Value of Obligation (Base)	19,11,735	15,75,036

Particulars	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	21,99,600	16,72,730	18,28,108	13,67,638
(% change compared to base due to sensitivity)	15.1%	-12.5%	16.1%	-13.2%
Salary Growth Rate (- / + 1%)	16,64,798	22,04,973	13,61,339	18,32,070
(% change compared to base due to sensitivity)	-12.9%	15.3%	-13.6%	16.3%
Attrition Rate (- / + 50% of attrition rates)	18,45,587	19,72,396	15,17,379	16,27,391
(% change compared to base due to sensitivity)	-3.5%	3.2%	-3.7%	3.3%
Mortality Rate (- / + 10% of mortality rates)	19,09,007	19,14,448	15,73,003	15,77,058
(% change compared to base due to sensitivity)	-0.1%	0.1%	-0.1%	0.1%

h. Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	14 Years

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Expected cash flows over the next (valued on undiscounted basis):	Amount in ₹
1 year	91,909
2 to 5 years	3,89,900
6 to 10 years	4,55,769
More than 10 years	58,75,774

38. Defined contribution plan

(Amount in ₹)

Particulars	As on 31-Mar-2018	As on 31-Mar-2017
Employer's Contribution to provident fund	11,56,315	12,49,980
Total	**11,56,315**	**12,49,980**

39. Bhilwara Energy Employee Stock Option Plan 2010

On 21st December, 2010, the company has granted 10,68,820 stock options as per Bhilwara Energy ESOP 2010 to its employees including those of subsidiary companies.

Salient features of the plan

Parameters/terms of grant	Explanation
Total number of options granted	A total of 10,68,820 options are being awarded in the current grant amounting to 0.70% of the total paid up capital as on the grant date.
Total number of options accepted	10,68,820
Total number of Valid options	5,65,055
Total number of options lapsed	5,03,765
Categorization of employees	All eligible employees as defined in the plan document.
Fair Share Price	₹82/-
Exercise price per option	₹82/-
Grant Date	21st December, 2010
Vesting Period	The options would vest in the grantee over a period of three years from the date of grant.
Vesting Schedule	The options would vest as per the following schedule:
	-20% of the options would vest at the end of 12 months from the date of grant.
	-30% of the options would vest at the end of 24 months from the date of grant.
	-50% of the options would vest at the end of 36 months from the date of grant.
Closing Date	The closing date of the plan is two months from the date of grant. That is all award recipients need to accept the offer before this date.
Exercise Period	The exercise period for the options granted is effectively eight years from the date of grant. That is, all vested options should be exercised within this period.
Exercise Conditions	As per Bhilwara Energy ESOP 2010 plan.
No accounting treatment has been made for ESOP in current accounting period as there is no difference in the fair price of the share and exercise price per option. Moreover, none of the employees has so far exercised any of the options till the close of accounting year.	

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

40. Related Party Transaction

a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).

i.	Malana Power Company Limited (MPCL)	- Subsidiary
ii.	AD Hydro Power Limited (ADHPL)	- Subsidiary of Subsidiary
iii.	Indo Canadian Consultancy Services Limited (ICCSL)	- Subsidiary
iv.	NJC Hydro Power Limited (NJCHPL)	- Subsidiary
v.	Chango Yangthang Hydro Power Limited (CYHPL)	- Subsidiary
vi.	BG Wind Power Limited (BGWPL) **(Subsidiary of Company w.e.f. 18.10.2017) (Till 18.10.2017- Subsidiary of Subsidiary)**	- Subsidiary
vii.	Balephi Jalvidhyut Company Limited, Nepal (BJCL)	- Subsidiary
viii.	Bhilwara Green Energy Limited (BGEL) **(Date of Cessation -25-10-2017)**	- Subsidiary
ix.	LNJ Power Ventures Limited (LNJPVL) **(Date of Cessation -26-10-2017)**	- Subsidiary
x.	Green Ventures Private Limited, Nepal (GVPL) **(Date of Cessation -14-12-2017)**	- Subsidiary

b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
HEG Limited

c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.

i. Mr. Ravi Jhunjhunwala
ii. Mr. Riju Jhunjhunwala
iii. Mr. Rishabh Jhunjhunwala

d) Key management personnel and their relatives

i.	Mr. Ravi Jhunjhunwala	- Chairman
ii.	Mr. Riju Jhunjhunwala	- Managing Director
iii.	Mr. Rishabh Jhunjhunwala	- Managing Director
iv.	Mr. Krishna Prasad	- Chief Financial Officer
v.	Mr. Ravi Gupta	- Company Secretary

e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

i. RSWM Limited.
ii. Bhilwara Scribe Private Limited.
iii. Deepak Knits & Textiles Private Limited
iv. Maral Overseas Limited.
v. Bhilwara Technical Textiles Limited.
vi. BMD Private Limited.
vii. Bhilwara Infoway Private Limited.
viii. Bhilwara Services Private Limited.
ix. LNJ Bhilwara Textile Anusandhan Vikas Kendra.
x. Odetta Realty Private Limited.
xi. BSL Limited.
xii. HEG Limited.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

f) The following transactions were carried out with the related parties in the ordinary course of business:

i) Parties referred to in item (a) above

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Equity Shares allotted during the year by:-		
Indo Canadian Consultancy Services Limited	-	35,33,000

Investment as at year end

Particulars	As at March 31, 2018	As at March 31, 2017
Equity shares in Malana Power Company Limited	1,81,03,38,300	1,81,03,38,300
Equity shares in Indo Canadian Consultancy Services Limited	4,59,81,656	4,59,81,656
Equity shares in NJC Hydro Power Limited	1,00,00,00,000	1,00,00,00,000
Equity shares in Bhilwara Green Energy Limited	-	56,93,45,343
Equity shares in BG Wind Power Limited	5,00,00,000	-
Equity shares in Green Venture Private Limited, Nepal	-	56,84,89,250
Equity shares in Balephi Jalvidhyut Company Limited, Nepal*	6,25,00,000	16,00,00,000
Equity shares in Chango Yangthang Hydro Power Limited**	30,00,00,000	60,00,00,000
Equity shares in LNJ Power Ventures Limited	-	74,00,000

*Provision for diminution ₹9,75,00,000 in value of investment in equity shares of Balephi Jalvidhyut Company Limited, Nepal due to SPA. The Company is holding 25,60,000 equity shares in current as well as previous year. **(Refer note no. 30 (b))**

The value of investment is impaired. Therefore, impairment to the extent of ₹30,00,00,000 is charged off in the books of accounts and the value of investment has been adjusted accordingly. The Company is holding 6,00,00,000 equity shares in current as well as previous year. **(Refer note no. 5 (#))

Loans & Advances at the year ended

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Chango Yangthang Hydro Power Limited	7,52,84,257	7,11,25,397
Bhilwara Green Energy Limited	-	2,96,32,672
BG Wind Power Limited	7,95,00,000	-
NJC Hydro Power Limited	62,32,17,947	61,67,46,565
Amount due from subsidiary at the year end for expenses		
Indo Canadian Consultancy Services Limited	7,60,529	(17,000)
Total	**77,87,62,733**	**71,74,87,634**

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Loans & advances given during the year

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Chango Yangthang Hydro Power Limited	41,58,860	24,30,101
Bhilwara Green Energy Limited	20,00,000	22,50,40,579
BG Wind Power Limited	8,36,50,647	-
Indo Canadian Consultancy Services Limited	8,49,856	-
NJC Hydro Power Limited	64,71,382	62,51,623

Loans & advances received back during the year

Particulars	As at March 31, 2018	As at March 31, 2017
Bhilwara Green Energy Limited	20,00,000	20,17,14,090
BG Wind Power Limited	41,50,647	-
NJC Hydro Power Limited	-	66,50,000
Indo Canadian Consultancy Services Limited	72,327	48,54,261

Interest received from subsidiary companies during the year

Particulars	2017-2018	2016-2017
Bhilwara Green Energy Limited (including taxes) (cessed to be subsidiary w.e.f 25.10.2017)	45,359	70,06,870

Expenses / deposit paid to subsidiary companies during the year

Particulars	2017-2018	2016-2017
Reimbursement of salary / other employee benefit expenses by MPCL (CEO and his PA)	58,61,612	52,10,713
Reimbursement of earnest money deposited by MPCL for UBDC-HEP (paid as EMD forfeited by PSPCL)	25,00,000	-

ii) Persons referred to in (c) & (d)

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries and perquisite paid/payable during the year to Mr. Riju Jhunjhunwala	40,17,600	40,02,600
Salaries and perquisite paid/payable during the year to Mr. Rishabh Jhunjhunwala	40,17,600	40,02,600
Salaries and perquisite paid/payable during the year to Mr. Krishna Prasad	21,67,158	19,18,368
Salaries and perquisite paid/payable during the year to Mr. Ravi Gupta	27,11,517	23,78,880

Outstanding from Persons referred to in (c) & (d)

Particulars	As at March 31, 2018	As at March 31, 2017
Mr. Ravi Gupta-Home Loan	2,12,904	3,73,344
Mr. Ravi Gupta-Advance Salary	77,760	-

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

Security Deposit / Advance from Persons referred to in (c) & (d)

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Mr. Krishna Prasad – Security Deposit for Car	1,01,109	75,681
Mr. Rishabh Jhunjhunwala– Security Deposit for Car	25,09,022	25,09,022

iii) Expenses during the year from the enterprises over which any person described in (c) or (d) is able to exercise significant influence

Particulars	As at March 31, 2018	As at March 31, 2017
Rent paid to RSWM Ltd.	3,58,118	-
Reimbursement of common expenses to RSWM Ltd.	5,13,753	45,323
Reimbursement of insurance expenses by RSWM Ltd.	8,29,780	-
Reimbursement of insurance expenses by BSL Ltd.	92,925	-
Reimbursement of insurance expenses by HEG Ltd.	6,88,487	27,219
Reimbursement of insurance expenses by Maral Overseas Ltd.	8,90,114	-
Reimbursement of insurance expenses by BMD Ltd.	1,84,016	-

Compensation of Key Managerial Personnel

	As at 31 March 2018					As at 31 March 2017				
Particulars	**Mr. Riju Jhunjhunwala (Managing Director)**	**Mr. Rishabh Jhunjhunwala (Managing Director)**	**Mr. Ravi Gupta (CS)**	**Mr. Krishna Prasad (CFO)**	**Total**	**Mr. Riju Jhunjhunwala (Managing Director)**	**Mr. Rishabh Jhunjhunwala (Managing Director)**	**Mr. Ravi Gupta (CS)**	**Mr. Krishna Prasad (CFO)**	**Total**
Short Term Benefits	36,00,000	36,00,000	25,87,451	20,75,790	1,18,63,241	35,85,000	35,85,000	22,71,096	18,39,168	1,12,80,264
Defined Contribution Plan	4,17,600	4,17,600	1,24,066	91,368	10,50,634	4,17,600	4,17,600	1,07,784	79,200	10,22,184
Total	**40,17,600**	**40,17,600**	**27,11,517**	**21,67,158**	**1,29,13,875**	**40,02,600**	**40,02,600**	**23,78,880**	**19,18,368**	**1,23,02,448**

41. Transactions in foreign exchange

Sl. No.	Nature of Transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Income	-	-
2	Expenditure	-	11,635

42. Financial risk management and objective policies

The company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits. The company is exposed to interest rate risk on variable rate long term borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

i. Interest Risk Exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Amount in ₹)

Particulars	**March 31, 2018**	**March 31, 2017**
Variable rate borrowings	50,72,12,400	1,64,72,16,190
Fixed rate borrowings	-	-
Total	**50,72,12,400**	**1,64,72,16,190**

ii. Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The table below summarizes the impact of increase and decrease of profit after tax on change in interest rate on floating rate debt. The analysis is based on the assumption that interest rate changes by 145 basis points with all other variable held constant. The fluctuation in interest rate has been arrived at on the basis of average interest rate volatility observed in the outstanding loans as on March 31, 2018 and March 31, 2017.

(Amount in ₹)

Particulars	**March 31, 2018**	**March 31, 2017**
Effect on Profit if Interest Rate - decrease by 145 basis points	52,75,165	1,41,40,116
Effect on Profit if Interest Rate - increases by 145 basis points	(52,75,165)	(1,41,40,116)

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is not exposed to any foreign currency risk as there are no material transactions in foreign currency. Hence, no further disclosure is required under this section.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

3) Price risk

The company is not exposed to any material price risk as there is no investment in equities outside the group except investment of ₹158680 (which is insignificant commensurate with size of the Company) and the company doesn't deal in commodities.

b) Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, unsecured loan to subsidiary company and other financial instruments.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. Financial assets are written off when there is no reasonable expectation of recovery.

1) Expected credit loss for financial assets

(Amount in ₹)

Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL)	As at March 31, 2018			As at March 31, 2017		
	Gross Carrying Amount	Expected credit loss	Carrying amount net of impairment provision	Gross Carrying Amount	Expected credit loss	Carrying amount net of impairment provision
Security deposits	30,025	-	30,025	30,025	-	30,025
Loan to Related Party	77,87,62,733	-	77,87,62,733	71,75,04,634	-	71,75,04,634
Loan to body corporate	7,56,68,000	-	7,56,68,000	9,36,18,484	-	9,36,18,484
Interest accrued on deposit and other	3,18,30,368	-	3,18,30,368	3,02,28,557	-	3,02,28,557
GBI Claim receivable	21,79,518	-	21,79,518	42,55,295	-	42,55,295
Trade receivable	2,35,71,303	-	2,35,71,303	11,83,59,510	-	11,83,59,510
Others	40,00,562	-	40,00,562	89,91,200	-	89,91,200

Financial assets to which loss allowance is measured using lifetime Expected Credit Loss (ECL) as on March 31, 2018

Particulars	Not Due	Less than 60 days	60 to 120 days	120 to 180 days	180 to 365 days	More than 365 days	Total
Trade Receivables-Gross Carrying amount	-	51,27,899	1,60,46,817	23,96,587	-	-	2,35,71,303
Carrying amount of Trade receivables	-	**51,27,899**	**1,60,46,817**	**23,96,587**	-	-	**2,35,71,303**

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

Financial assets to which loss allowance is measured using lifetime Expected Credit Loss (ECL) as on March 31, 2017

(Amount in ₹)

Particulars	Not Due	Less than 60 days	60 to 120 days	120 to 180 days	180 to 365 days	More than 365 days	Total
Trade Receivables-Gross Carrying amount	-	42,46,280	2,39,10,638	2,15,05,843	6,86,96,749	-	11,83,59,510
Carrying amount of Trade receivables	-	**42,46,280**	**2,39,10,638**	**2,15,05,843**	**6,86,96,749**	-	**11,83,59,510**

The company is in the power generation sector. The company on the basis of its past experience and industry practice is confident on realizing all of its dues from its customers which are state government run power utility majors. Hence company has not provided for any discounting on time value of money.

c) Liquidity risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows. To maintain liquidity the company has maintained loan covenants as per the terms decided by the lenders.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Amount in ₹)

As at March 31, 2018	0-12 Months	12 Months to 3 Years	More than 3 Years	Total
Borrowings	4,91,31,600	10,86,68,700	39,85,43,700	55,63,44,000
Security Deposits from Employees	20,07,048	75,681	5,27,402	26,10,131
Creditors for Capital Expenditure	-	4,11,41,138	-	4,11,41,138
Sundry Creditors	10,93,891	-	-	10,93,891
Other Payable	1,96,923	50,00,000	-	51,96,923
Expenses Payable	30,13,622	-	-	30,13,622
Bank Overdraft	3,97,91,642	-	-	3,97,91,642

As at March 31, 2017	0-12 Months	12 Months to 3 Years	More than 3 Years	Total
Borrowings	25,57,55,500	9178,00,300	7485,43,600	1,92,20,99,400
Security Deposits from Employees	75,681	-	5,27,402	6,03,083
Creditors for Capital Expenditure	-	4,11,41,138	-	4,11,41,138
Other Payable	23,07,823	30,00,000	-	53,07,823
Expenses Payable	6,18,539	2,10,000	-	8,28,539
Bank Overdraft	16,33,38,778	-	-	16,33,38,778

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

43. Capital management

a) Risk management

The Company's objective when managing capital is to:

(i) Safeguard their ability to continue as a going concern , so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Company makes continuous efforts to optimise its cost of capital as during 2016-17 and 2017-18 company makes arrangements with its lenders to re-structure its borrowings which reduce the cost of capital of borrowing for the company.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net Debt (total borrowings net of cash and cash equivalents)
Divided by
Total equity (as shown in balance sheet, including non- controlling interest)

The gearing ratios were as follows:

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Net Debt	55,63,44,000	1,90,25,73,705
Total equity	4,31,80,27,196	4,33,33,90,905
Net Debt to Equity Ratio	**0.13**	**0.44**

Loan covenants

As per the management, the Company has complied with the financial covenants throughout the reporting period and there have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period.

44. Financial instruments- accounting classification and fair value measurement

Particulars	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Security deposits	-	-	30,025	-	-	30,025
Investment in Punjab & Sind Bank Ltd.	17,213	-	-	26,895	-	-
Bank Balance more than 12 Month Maturity*	-	-	278,15,551	-	-	25,75,788
GBI Claim receivable	-	-	21,79,518	-	-	42,55,295
Interest accrued on deposit and other	-	-	3,57,75,925	-	-	3,02,28,557
Trade receivables	-	-	2,35,71,303	-	-	11,83,59,510
Unbilled revenue	-	-	40,00,562		-	89,91,200
Total Financial Assets	**17,213**	**-**	**9,33,72,884**	**26,895**	**-**	**16,44,40,375**

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

(Amount in ₹)

Financial Liabilities						
Borrowings	-	-	55,63,44,000	-	-	1,90,29,71,690
Security deposits from employees	-	-	26,10,131	-	-	6,03,083
Bank overdraft	-	-	3,97,91,642	-	-	16,33,38,778
Creditors for capital expenditure	-	-	4,11,41,138	-	-	4,11,41,138
Sundry Creditors	-	-	10,93,891	-	-	-
Other payable	-	-	82,10,545	-	-	61,36,362
Total Financial Liabilities	-	-	**64,91,91,347**	-	-	**2,11,41,91,051**

I. **Fair value hierarchy**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates evaluated by the Company based on the parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liability

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(Amount in ₹)

Particulars	**Carrying amount**	**Fair value**		
	As at March 31, 2018	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at amortised cost:				
Borrowings	55,63,44,000	-	1,90,29,71,690	-
Total	**55,63,44,000**	**-**	**1,90,29,71,690**	**-**
Financial assets at amortised cost:				
Security deposits	30,025	-	30,025	-
Balances with maturity more than 12 months	2,78,15,551	-	25,75,788	-
Total	**2,78,45,576**	-	**26,05,813**	-

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

(Amount in ₹)

Particulars	Carrying amount	Fair value		
	As at March 31, 2017	Level 1	Level 2	Level 3
Financial liabilities at amortised cost:				
Borrowings	1,90,29,71,690	-	1,90,29,71,690	-
Total	**1,90,29,71,690**	-	**1,90,29,71,690**	-
Financial assets at amortised cost:				
Security deposits	30,025	-	30,025	-
Balances with maturity more than 12 months	25,75,788	-	25,75,788	-
Total	**26,05,813**	-	**26,05,813**	-

II. Assumptions and valuation technique used to determine fair value

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

i. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii. Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

45. Deferred tax

In accordance with Ind AS-12 "Income Taxes" Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In view of lack of reasonable certainty of sufficient future taxable income against which net deferred tax asset can be realised, the Company has not recognized deferred tax asset to the extent of ₹65,49,52,977 (previous year ₹58,04,45,732) as on March 31, 2018.

Particulars	As on 31 March, 2018	As on 31 March, 2017
Tax effects constituting deferred tax assets		
Business loss brought/carried forward	43,61,36,218	43,61,36,218
Unabsorbed depreciation brought/carried forward	27,33,48,770	22,76,80,770
Provision for Leave encashment	6,21,167	1,42,442
Provision for Gratuity	3,49,892	11,34,448
Total deferred tax assets (a)	**71,04,56,047**	**66,50,93,878**
Tax effects constituting deferred tax liabilities		
Difference between tax base and book base of Property, plant and Equipment	(5,55,03,070)	(8,46,48,146)
Total deferred tax liabilities (b)	**(5,55,03,070)**	**(8,46,48,146)**
Net Deferred Tax Asset (a+b)	65,49,52,977	58,04,45,732
Less: Valuation Allowance	**(65,49,52,977)**	**(58,04,45,732)**
Net Deferred tax assets	-	-

Doogar & Associates * Chartered Accountants * Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

46. Previous year figures have been regroup/reclassified whenever considered necessary.

Signed in terms of our report of even date
For **Doogar & Associates**
Chartered Accountants
Firm Regn. No: 000561N

Mukesh Goyal
Partner
Membership No. 081810

Place: Noida
Date : 3rd May 2018

For and on behalf of Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN: 00060972

Riju Jhunjhunwala
Managing Director
DIN: 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M. No. F5731

DOOGAR & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHILWARA ENERGY LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bhilwara Energy Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its subsidiaries in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its subsidiaries and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 consolidated Ind AS financial statements are free from material misstatement.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

13, COMMUNITY CENTRE, EAST OF KAILASH, NEW DELHI - 110065. PHONES : 41621352, 26472557, 26419079
FAX : 91-011-41326811 E-mail : doogarco@hotmail.com

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the consolidated state of affairs of the Group and its subsidiaries as at March 31, 2018, their consolidated profit including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

In Subsidiary Chango Yangthang Hydro Power Limited

Material Uncertainty Related to Going Concern

As detailed in foot note of Note-4 regarding the Board of directors decision to surrender the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution and long delay in Government approvals and licenses lapse ,the company has written off Capital Work in progress during the year amounting to INR 27,13,18,411. These events or conditions, along with other matters as set forth in Note-31, indicate that there exists material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern since the company was incorporated as a Special Purpose Vehicle for this particular project. Our opinion is not modified in respect of this matter.

Emphasis of Matter

As detailed in Note-29, the company has surrendered Chango Yangthang HEP (180MW) project in Himachal Pradesh and asked for the refund of Upfront premium of INR 37,89,45,000 and Security Deposit of INR 1,80,00,000 with interest, the Government of Himachal Pradesh has not considered the company's contention for surrender of the project. The Company on 16th February, 2018 has reaffirmed their intention and asked the Authorities for their decision on application of surrender of the project since the project is not to be executed purely on account of various social-legal issues neither in the control of the company nor in the control of local administration/authorities. The response from the Directorate of Energy, Government of Himachal Pradesh is awaited and the management is confident of recovering the Upfront Fees and Security Deposit paid on account of surrender of project, in full. The upfront fee and security deposit as mentioned above have been

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants grouped under Other Non Current Assets (Note-6) and Non Current Loans- Security Deposit (Note-5) respectively

In Subsidiary NJC Hydro Power Limited

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note No. 21 to the Ind AS financial statement, the viability of the Nyamjang Chhu HEP power project is dependent on the outcome of the approval to be granted by National Green Tribunal and Ministry of Environment & Forest and Climate Change.

Other Matters

We did not audit the Ind AS financial statements of 5 Subsidiaries including a step down subsidiary, whose financial statements reflect total assets of INR 3,30,477.35 Lacs as at 31st March, 2018, total revenues of INR 39,241.20 Lacs and net cash flows amounting to INR 9,944.41Lacs for the year ended on March 31, 2018, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report to the extent applicable, that:

(a) We have relied upon, 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 of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Amendment Rules, 2015, as amended;

DOOGAR & ASSOCIATES Firm Regd. No. 000561N New Delhi Chartered Accountants

(e) The matters described under the "Emphasis of Matters" and an "Other Matter" described in paragraphs above, in our opinion, may not have an adverse effect on the functioning of the group;

(f) On the basis of the written representations received from the respective directors of the Holding Company and its subsidiaries company incorporated in India as on March 31, 2018 taken on record by the respective Board of Directors, none of the directors of the Group's companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiaries company incorporated in India, refer to our separate report in "Annexure A" to this report;

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its subsidiaries – Refer Note 35 and 36 to the consolidated Ind AS financial statements;

ii. The Group and its subsidiaries did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

For Doogar & Associates
Chartered Accountants
Firm's Registration No. 000561N

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

Mukesh Goyal
Partner
Membership No: 081810

Place: New Delhi
Date: May 3, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED Ind AS FINANCIAL STATEMENTS OF BHILWARA ENERGY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial controls over financial reporting is not applicable in respect of one audited subsidiary incorporated outside India.

In conjunction with our audit of the consolidated Ind AS financial statement of Bhilwara Energy Limited as of and for the year ended March 31, 2018. We have audited the internal financial controls over financial reporting of Bhilwara Energy Limited (hereinafter referred to as the "Holding Company") and its six subsidiaries incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiaries companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is

DOOGAR & ASSOCIATES Firm Regd. No. 000561N New Delhi Chartered Accountants 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 consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries companies incorporated in India 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.

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Doogar & Associates

Chartered Accountants

Firm's Registration No. 000561N

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Mukesh Goyal

Partner

Membership No: 081810

Place: New Delhi

Date: May 3, 2018

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Consolidated Balance Sheet as at March 31, 2018

(₹ In Lakhs)

	Particulars	Note	As at March 31, 2018	As at March 31, 2017
1	ASSETS			
A	Non-Current Assets			
i	Property, Plant and Equipment	3	1,71,254.05	2,11,764.73
ii	Capital work-in-progress	4	17,987.02	33,654.18
iii	Goodwill on Investment		-	16.77
iv	Other intangible asset	5	47.82	1.63
vi	Financial Assets			
	Investments	6	1.17	1.32
	Loans	7	272.53	239.72
vii	Other financial assets	8	4,129.93	3,971.86
	Deferred Tax Assets (Net)	20	2,051.68	-
viii	Other non-current assets	9	5,064.53	2,175.65
			2,00,808.73	2,51,825.86
B	Current Assets			
i	Financial Assets			
	Inventories	10	1,144.86	1,014.02
	Trade Receivables	11	3,576.12	12,192.97
	Cash and cash equivalents	12(a)	4,080.43	14,354.23
	Bank balances other than above	12(b)	25,717.03	5,304.96
	Loans	7	794.00	990.82
ii	Other financial assets	8	963.93	1,445.48
iii	Other current assets	9	332.92	397.98
iv	Asset held for sale	13	-	1,004.49
			36,609.29	36,704.95
	Total Assets		2,37,418.02	2,88,530.81
2	EQUITY AND LIABILITIES			
A	Equity			
i	Equity Share Capital	14	16,575.93	16,575.93
ii	Other Equity	15(a)	60,945.04	55,905.90
			77,520.97	72,481.84
iii	Non-Controlling Interest	15(b)	55,909.07	51,070.66
B	Liabilities			
I	Non-Current Liabilities			
i	Financial Liabilities			
	Borrowings	16	90,357.45	1,35,447.32
ii	Provisions	18	378.64	348.53
iii	Deferred Tax laibility	20	-	3,081.17
			90,736.09	1,38,877.02
II	Current Liabilities			
i	Financial Liabilities			
	Trade Payable	19	2,629.54	6,218.76
ii	Other Financial Liabilities	17	8,621.27	14,980.57
iii	Other Current Liabilities	21	443.42	377.93
iv	Provisions	18	1,285.79	4,414.24
v	Current Tax Liabilities	22	271.87	109.80
			13,251.89	26,101.30
	Total Equity and Liabilities		2,37,418.02	2,88,530.81

Significant Accounting Policies 2
Accompanying notes (1-55) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

Mukesh Goyal
Partner
Membership No. 081810

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Riju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5731

Place: NOIDA (U.P.)
Date: 3rd May 2018

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Consolidated Statement of Profit & Loss for the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue From Operations	23	31,772.30	38,343.40
II	Other Income	24	15,090.43	5,714.02
III	**Total Revenue (I+II)**		**46,862.73**	**44,057.42**
IV	**EXPENSES**			
	Wheeling Cost		273.70	279.03
	Bulk power transmission charges		1,794.50	1,819.85
	Open access charges		1,303.98	1,743.69
	Employee benefits expense	25	3,194.06	2,981.27
	Finance Costs	26	11,339.36	16,593.48
	Depreciation / impairment and amortization expense	27	8,640.87	9,902.82
	Other Expenses	28	5,152.72	4,589.46
	Total Expenses		**31,699.19**	**37,909.60**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**15,163.54**	**6,147.82**
VI	**Exceptional items**	29	6,052.80	-
VII	**Profit/(loss) before tax (V+VI)**		**9,110.74**	**6,147.82**
VIII	**Tax Expense**			
	Current tax / (Minimum Alternate Tax)	30	151.56	2,967.93
	Current tax	30	3,233.76	-
	MAT Credit Entitlement	30	-	(154.60)
	Less: MAT Credit recognised related to prior years	30	(4,153.78)	-
	Less: MAT Credit utilised during the year	30	(1,287.28)	(1,133.98)
	Deferred tax	30	(375.53)	(267.92)
	Total Income Tax Expense		**(2,431.27)**	**1,411.42**
IX	**Profit/(loss) for the period (VII-VIII)**		**11,542.01**	**4,736.39**
	Non Controlling Interest		5,973.62	3,239.63
X	**Profit/(loss) for the period**		**5,568.39**	**1,496.76**
XI	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss	31	18.45	(15.45)
	(ii) Items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income		**18.45**	**(15.45)**
	Non Controlling Interest of other comprehensive income		2.39	(3.92)
	Total comprehensive income for the year, net of tax		**5,584.45**	**1,485.24**
	Earnings per Equity Shares			
	1) Basic (in ₹)	32	3.36	0.90
	2) Diluted (in ₹)	32	3.36	0.90

Significant Accounting Policies 2
Accompanying notes (1-55) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

Mukesh Goyal
Partner
Membership No. 081810

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Riju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5731

Place: NOIDA (U.P.)
Date: 3rd May 2018

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Consolidated Cash Flow Statement for the year ended March 31, 2018

(₹ In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net operating profit/(loss) before tax	9,520.47	6,147.83
Adjustment to reconcile profit before tax to net cash flows	-	-
Depreciation of Property Plant and Equipment	8,640.87	9,922.81
Gain on disposal of Property, plant and equipment	(4.66)	(5.67)
Amortisation of Intangible Assets	4.26	0.34
Provision for Gratuity and leave encashment	1,003.76	(6.43)
Finance Cost	11,339.36	16,593.48
Asset held for sale charged off	679.11	141.88
Profit on asset held for sale charged off	(186.70)	3.69
Interest Income	(1,792.91)	(1,612.13)
Impairment of dimunition in Value of Investment	583.88	639.35
Loss on sale of fixed assets charged off (net)	12.49	3.68
Inventory written off	-	129.34
Bad Debt written off	85.49	74.53
Provision for dimunition in Balephi	(975.00)	-
Sundry balances written off	25.00	74.00
Fair valuation of Investment	0.10	(0.10)
Dividend Income from Non current Investment	-	(0.01)
Adjustment of subsidiary which is sold earlier	686.89	-
(Increase) / Decrease in Long term loans	(32.82)	(2.25)
Increase / (Decrease) in other non current financial asset	75.69	(49.89)
(Increase) / Decrease in other non current asset	(3,557.53)	(277.85)
(Increase) / Decrease in Inventories	(130.84)	13.68
(Increase) / Decrease in Short term Trade Receivables	8,506.36	(4,461.91)
(Increase) / Decrease in Other Short term financial assets- loans	196.82	(6.45)
(Increase) / Decrease in Other Short term financial assets	775.37	137.20
(Increase) / Decrease in Other Short term assets	65.06	(327.58)
Increase / (Decrease) in Other Short term Financial Liabilities	(1,803.73)	64.83
Increase / (Decrease) in Other Short term Liabilities	65.50	144.17
Increase / (Decrease) in Trade payable	(3,589.22)	(424.59)
Increase / (Decrease) in Non -current fianncial liability	(6,209.62)	-
Net cash flow (used) in/ from Operating Activities	**23,983.42**	**26,915.97**
Inocme Tax	(1,267.32)	(1,377.87)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and Equipment	(275.76)	(87.17)
Proceeds from fixed assets	17,475.30	158.48
Provision for dimunition in Balephi	-	
Addition to Capital work in progress	462.61	(599.87)
Addition to Investments	0.05	(0.00)
Interest received	1,499.10	1,573.63
Dividend Income from Non current Investment	-	0.01
Maturity of Investment	266.24	903.58
Increase/ decrease in Bank Balance	(20,412.07)	2,824.01
Net cash flow (used) in/ from Investing Activities	**(984.53)**	**4,772.68**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of borrowings	(45,089.87)	(6,290.36)
Payment of finance cost	12,686.58	(16,007.08)
Share capital raised / Pending for Allotment	-	-
Bank overdraft	397.92	1,633.39
Net cash (used) in/ from Financing Activities	(32,005.37)	(20,664.05)
Net increase/(decrease) in Cash & Cash equivalent	(10,273.80)	9,646.72
Cash & Cash equivalent at the beginning of the year	14,354.23	4,707.51
Cash & Cash equivalent at year end	4,080.43	14,354.23

Significant Accounting Policies 2
Accompanying notes (1-55) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

Mukesh Goyal
Partner
Membership No. 081810

Place: NOIDA (U.P.)
Date: 3rd May 2018

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Rlju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5731

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Consolidated Statement of Changes in Equity for the year ended March 31, 2018

a. Equity share capital

Particulars	No. of Shares	(₹ In Lakhs)
Balance as at April 1, 2016		
Balance at the beginning of the reporting period	16,57,59,311	16,575.93
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	16,57,59,311	16,575.93
Balance as at April 1, 2017		
Balance at the beginning of the reporting period	16,57,59,311	16,575.93
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	16,57,59,311	16,575.93

b. Other equity

Particulars	Reserves & Surplus					Items of OCI			
	Capital Reserve	Capital Reserve on consolidation	Securities Premium Account	Debenture Redemption Reserve	Surplus in Statement of Profit and Loss	Remeasurements of the net defined benefit Plans	Total (₹ In Lakhs)	Non-Controlling Interest	Total (₹ In Lakhs)
Balance at April 1, 2016	10.12	13,995.04	41,641.56	652.54	(1,899.61)	21.01	54,420.67	47,930.74	1,02,351.41
Profit during the year	-	-	-	481.85	1,496.76	-	1,978.60	3,235.71	5,214.31
Less: Transfer to DRR	-	-	-	-	(481.85)	-	(481.85)		(481.85)
-Remeasurement of defined benefit obligation	-	-	-	-	-	(11.52)	(11.52)		(11.52)
Adjustment during the year	-	-	-	-	-	-	-	(95.79)	(95.79)
Total comprehensive income for the year	-	-	-	481.85	1,014.91	(11.52)	1,485.23	3,139.91	4,625.15
Balance at March 31, 2017	10.12	13,995.04	41,641.56	1,134.39	(884.70)	9.49	55,905.90	51,070.66	1,06,976.56
Balance at April 1, 2017	10.12	13,995.04	41,641.56	1,134.39	(884.70)	9.49	55,905.90	51,070.66	1,06,976.56
Profit during for the year	589.07	-	-	-	5,568.40	-	6,157.47	5,976.01	12,133.48
-Remeasurement of defined benefit obligation	-	-	-	-	-	16.06	16.06		16.06
Comprehensive income for the year	-	-	-	-	2.11	(2.11)	-		-
Adjustment during the year	-	-	-	-	-	-	-	(1,137.60)	(1,137.60)
Transfer to Debenture Redemption Reserve	-	-	-	(1,134.39)	-	-	(1,134.39)		(1,134.39)
Total comprehensive income for the year	589.07	-	-	(1,134.39)	5,570.51	13.95	5,039.14	4,838.41	9,877.54
Balance at March 31, 2018	599.19	13,995.04	41,641.56	-	4,685.81	23.44	60,945.04	55,909.07	1,16,854.11

Significant Accounting Policies 2
Accompanying notes (1-55) are integral part of the financial statements

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn.No: 000561N

Mukesh Goyal
Partner
Membership No. 081810

Place: NOIDA (U.P.)
Date: 3rd May 2018

For and on behalf of the Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN - 00060972

Riju Jhunjhunwala
Managing Director
DIN - 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M.No. F5741

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

1. Corporate information

Bhilwara Energy Limited-(BEL) is a public limited company incorporated on 17th May, 2006 under the Companies Act, 1956. BEL (holding company) together with its subsidiaries is hereinafter referred to as the 'Group'. Group is engaged in the establishment, operation and maintenance of power generating stations and tie- lines, sub-stations and main transmission lines connected therewith. Operation and maintenance of such power generating stations, tie-lines, sub- stations and main transmission lines as are assigned to it by the competent Government or Governments. Group has various projects under operation including 14 MW wind power project in Kolhapur (BEL), 86 MW hydro power project (MPCL), 192 MW Hydro power project (ADHPL), 20 MW wind project (BGWPL).

The subsidiaries considered in the consolidated financial statements are:

Name of subsidiary/step down subsidiaries	Legend	Country of Incorporation	Proportion of ownership as on 31st March 2018 (%)	Proportion of ownership as on 31st March 2017 (%)
1. Malana Power Company Limited	MPCL	India	51.00%	51.00%
2. AD Hydro Power Limited (ADHPL) (88% subsidiary of MPCL)	ADHPL	India	44.88%	44.88%
3. BG Wind Power Limited	BGWPL	India	100.00%	100.00%
4. Indo Canadian Consultancy Services Limited	ICCSL	India	75.50%	75.50%
5. NJC Hydro Power Limited	NJCHPL	India	100.00%	100.00%
6. Chango Yangthang Hydro Power Limited	CYHPL	India	100.00%	100.00%
7. Balephi Jalvidhyut Company Limited, Nepal	BJCL	Nepal	95.86%	95.86%
8. Bhilwara Green Energy Limited **(Date of Cessation 25-10-2017)**	BGEL	India	-	100.00%
9. LNJ Power Ventures Limited **(Date of Cessation 26-10-2017)**	LNJPVL	India	-	74.00%
10. Green Ventures Private Limited, Nepal **(Date of Cessation 14-12-2017)**	GVPL	Nepal	-	84.67%

2. Significant accounting policies

2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, Group, with effect from 1st April 2016, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016. The Group has prepared its consolidated financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian GAAP').

The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

These consolidated financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value, as explained in accounting policies.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at March 31, 2018. Control is achieved when Group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Group re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Group obtains control over the subsidiary and ceases when Group losses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date Group gains control until the date Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statement in preparing the consolidated financial statements to ensure conformity with Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e. year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of Group and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of Group are eliminated in full on consolidation.

Consolidation Procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows to the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

DOOGAR & ASSOCIATES
Firm Regn. No. 000561N
New Delhi
Chartered Accountants

BHILWARA ENERGY LIMITED

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statement. Ind AS 12 Income tax applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

2.3 Summary of significant accounting policies

a) Current versus Non-Current

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities 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 Group has identified twelve months as its operating cycle.

b) Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Critical accounting estimates and judgments:

The areas involving critical estimates and judgments are:

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

I. Service Concession Arrangements

Management has assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the Group.

In assessing the applicability, management has exercised significant judgment in relation to the underlying ownership of the asset, terms of the power distribution arrangements entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to granted cash, significant residual interest in the infrastructure, etc. Based on detailed evaluation, management has determined that this arrangement does not meet the criterion for recognition as service concession arrangements.

II. Arrangement to be classified as lease

Management has assessed applicability of Appendix C of Ind AS 17: Arrangement to be classified as Lease. In assessing the applicability to arrangements entered into by the company, management has exercised the judgment to evaluate the right to use the underlying asset, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangement meets the criteria under Appendix - C to Ind AS - 17.

III. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group.

The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group believes that the useful life best represents the period over which the Group expects to use these assets.

IV. Contingent liabilities

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured.

Sale of Electricity:

Revenue from sale of electricity is recognised on the basis of billable electricity (over and above free supply to HP State Government) scheduled to be transmitted to the customers, which approximates the actual electricity transmitted.

& ASSOCIATES Firm Regn. No 000561N Chartered

BHILWARA ENERGY LIMITED

Consultancy services
Revenue comprises income received on account of consultancy fees for the services rendered and recognised on accrual basis.

Voluntary Emission Rights (VER)
Revenue is recognised as and when the VERs is sold and it is probable that the economic benefits will flow to the Group.

Carbon Credit Entitlement / Certified Emission Reductions (CER)
In process of generation of hydro-electric power, the Group also generates carbon emission reduction units which may be negotiated for price in international market under Clean Development Mechanism (CDM) subject to completing certain formalities and obtaining certificate of Carbon Emission Reduction (CER) as per Kyoto Protocol. Revenue from CER is recognised as and when the CER's are certified and ultimate collections are made for the same.

Generation Based Incentive
Under the scheme, a GBI will be provided to wind electricity producers @ ₹0.50 per unit of electricity fed into the grid for a period not less than 4 years and a maximum period of 10 years with a cap of ₹100.00 Lakhs per MW. The total disbursement in a year will not exceed one fourth of the maximum limit of the incentive i.e. ₹25.00 Lakhs per MW during first four years.

Renewable Energy Certificate (REC)
Gross proceeds from sale of Renewable Energy Certificates (RECs) are recognized when all the significant risks and rewards of ownership of RECs have been passed to the buyer, usually on delivery of the RECs at actual rate of realization.

Sale of scrap
Revenue in respect of sale of scrap is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Transmission lines
Revenue from transmission income is recognized on accrual basis
Interest
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). Interest Income is included under the head 'Other Income' in the Statement of Profit and Loss.

Dividend
Dividend on investment with mutual funds and others is recognized when the right to receive payment is established.

c) **Property, Plant and Equipment**
Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

R & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

It includes other 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.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

I. **In case of Holding Group**

Depreciation on tangible fixed assets is provided on the straight-line-method (SLM) using the rate arrived at based on the useful lives prescribed under Schedule II to the Companies Act 2013. All assets costing 5,000 or below are fully depreciated in the year of addition.

Asset description	Useful Life (Years)
Plant & machinery	22
Other equipment	5-10
Computers and Equipment's	3-6
Vehicle	8
Furniture & fixtures	10

II. **In case of MPCL & ADHPL**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under Schedule II of the Companies Act 2013 except in case of roads which has been taken as 7 years based on technical evaluation. The Group has used the following rates to provide depreciation on its fixed assets.

Asset description	Useful Life (Years)
Other buildings	60
Plant and machinery used in generation, transmission and distribution of power.	40
Transmission lines	40
Factory buildings	30
Plant and equipment	15
Furniture and fixtures	10
Electrical installations	10
Vehicles	8
Computers and data processing equipment	3-6
Office equipment	5
Roads	10
Software	3

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Bhilwara Energy Limited

III. In case of BG Wind

Depreciation:

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under Schedule II of the Companies Act 2013.

On Plant and Machineries (Wind Turbine Generator)

Since the company is registered with Indian Renewable Energy Development Agency Ltd. (IREDA) under Generation Based Incentive (GBI) Scheme depreciation has been provided on SLM basis @7.69% as prescribed under Operational Guidelines issued by IREDA, the Nodal Agency of Ministry of New & Renewable Energy (MNRE).

d) Intangible assets

An Intangible Assets is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets other than software are amortized over their expected useful life, not exceeding ten years, except in case of BG wind where the expected useful life does not exceed 5 years.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end.

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

e) Inventory Valuation

Inventories comprising of components of stores and spares are valued at lower of cost and net realizable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f) 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.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

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

Where the Company is the lessee
A lease is classified at the inception date as a finance lease or an operating lease. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Doogar & Associates Chartered Accountants Firm Regn. No 000561N New Delhi

BHILWARA ENERGY LIMITED

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) 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 plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of 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 Group 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:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b. 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.

Debt instrument at FVTOCI

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

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

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Bhilwara Energy Limited

Debt instrument 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.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from Group's consolidated balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or
b. Group 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 (a) Group has transferred substantially all the risks and rewards of the asset, or (b) Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

DOOGAR & ASSOCIATES Firm Regd. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Lease receivables under Ind AS 17
d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
e. Loan commitments which are not measured as at FVTPL
f. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

DOOGAR & ASSOCIATES
BHILWARA ENERGY LIMITED

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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

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 Group'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.

Loans and borrowings
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 costs in the statement of profit and loss.
This category generally applies to borrowings.

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

Reclassification of financial assets
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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 amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Foreign currency translation
Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group 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.

DOOGAR & ASSOCIATES
Firm Regn. No. 000561N
New Delhi
Chartered Accountants

BHILWARA ENERGY LIMITED

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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).

j) Retirement and other employee benefits

I. Provident fund and superannuation plans:

Retirement benefits in the form of provident fund and superannuation plans are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

II. Gratuity:

Group's liabilities on account of gratuity on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

III. Leave encashment

Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

IV. Other short term benefits

Expenses in respect of other short term benefits are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

The Company presents its leave, gratuity as current and non-current based on the actuarial valuation.

k) Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

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. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

l) Non-Current Asset held for Sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

m) Preoperative Expenses:

Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction/ implementation, interest on term loans/ debentures to finance fixed assets and expenditure on start-up/ commissioning of assets forming part of a composite project are capitalized up to the date of commissioning of the project as the cost of respective assets. Income earned during construction period is deducted from the total of the indirect expenditure.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

n) Provisions

Provisions are recognised when the Group 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 Group 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.

o) Cash and cash Equivalents

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

p) Contingent Liability

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

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
All other borrowing costs are expensed in the period in which they occur.

s) Fair Value measurement

The Group measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.
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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

3 Property, Plant and Equipment
Tangible Assets

(₹ in Lakhs)

Particulars	Tangible assets													
	Freehold land	Leasehold land	Freehold building	Leasehold building (explosive)	Civil work	Transmission line	Plant and Machinery	Project Equipment	Electrical Installation	Office Equipments	Furniture and Fixtures	Computers	Vehicles	Total
Cost or valuation														
As at April 1, 2016	4,706.27	858.44	30,337.98	3.59	1,02,080.50	44,363.91	1,09,971.38	189.81	631.82	197.38	291.36	259.77	390.06	2,94,282.30
Additions	-	-	-	-	-	-	11,458.67	10.08	4.22	3.01	6.02	5.51	44.28	11,531.80
Disposals	19.53	-	-	-	10.04	-	154.37	3.51	5.19	20.68	11.80	73.64	29.37	328.13
As at March 31, 2017	4,686.75	858.44	30,337.98	3.59	1,02,070.46	44,363.91	1,21,275.68	196.38	630.86	179.71	285.58	191.64	404.97	3,05,485.96
Additions	-	-	137.97	-	-	-	12.56	-	0.89	39.60	3.59	22.75	58.48	275.76
Disposals	1,066.95	858.44	-	3.59	-	-	44,233.41	74.44	20.23	31.18	90.34	76.94	123.94	46,579.47
Disposal/Decapitalisation during the period*	-	-	-	-	-	-	778.70	-	-	-	-	-	-	778.70
As at March 31, 2018	3,619.79	-	30,475.95	-	1,02,070.46	44,363.91	77,833.52	121.94	611.51	188.12	198.84	137.45	339.51	2,59,960.96
Depreciation														
As at April 1, 2016	-	121.60	13,317.30	0.96	29,325.31	10,884.34	28,782.39	143.48	485.96	168.51	229.99	248.11	258.07	83,966.02
Charge for the year	-	29.43	2,320.92	0.05	2,008.25	910.21	4,564.44	10.11	32.87	7.22	12.76	3.11	23.42	9,922.80
Disposals	-	-	-	-	1.54	-	30.81	0.46	5.29	22.42	9.96	71.96	25.14	167.58
As at March 31, 2017	-	151.03	15,638.21	1.01	31,332.03	11,794.55	33,316.03	153.13	513.55	153.31	232.78	179.26	256.35	93,721.23
Charge for the year	-	-	2,321.97	0.05	2,008.80	910.21	2,331.04	2.71	18.62	14.22	6.65	3.75	25.97	7,643.98
Disposals	-	151.03	-	1.05	-	-	13,148.65	71.59	19.17	26.08	63.38	74.79	102.56	13,658.31
As at March 31, 2018	-	-	17,960.18	-	33,340.82	12,704.76	22,498.41	84.26	513.00	141.45	176.05	108.22	179.76	87,706.90
Impairment	-	-	-	-	-	-	1,000.00	-	-	-	-	-	-	1,000.00
Disposal/Decapitalisation**	-	-	-	-	-	-	1,000.00	-	-	-	-	-	-	1,000.00
As at March 31, 2018	-	-	-	-	-	-								
Net Block														
As at March 31, 2017	4,686.75	707.41	14,699.77	2.58	70,738.44	32,569.36	87,959.66	43.25	117.31	26.39	52.80	12.38	148.62	2,11,764.73
As at March 31, 2018	3,619.79	-	12,515.78	-	68,729.64	31,659.15	54,335.11	37.69	98.51	46.67	22.79	29.23	159.75	1,71,254.05

* **Decapitalisation:** As per Ind AS 109 treatment the Property, Plant and Equipment was decapitalised by ₹778.70 Lakhs during the year in accordance with the MOU entered into by the Company with INOX (Inox Wind Limited and Inox Wind Infrastructure Services Limited), turnkey service provider with respect to the credit terms of total amount of ₹1900.00 Lakhs repayable over 10 years in equal instalments. Deferred loan payment loan (Supplier's Credit) outstanding as on 31st March 2018 has been shown under the head Borrowing from Others Parties (refer Note # 12)

** **Impairment:** The management has provided impairment of ₹1000.00 Lakhs during the year based as on fair market value determined by independent valuer.

4 Capital work-in-progress

Particulars	Total
As at April 1, 2016	44,498.94
Additions	599.87
Transferred to Property,Plant & Equipments	(11,444.63)
As at March 31, 2017	33,654.18
Additions	462.61
Less: CWIP charged off Khangteng Project (7.50 MW)-BEL	(3,339.61)
Less: CWIP charged off Chango HEP (180 MW)-CYHPL**	(6,496.81)
Less: CWIP Adjustment- Green Ventures and other*	(6,234.70)
Less: Capitalized	(58.65)
As at March 31, 2018	17,987.02

* Due to investment in Green Ventures Private Limited sold during the year

** During the year, Chango Yangthang Hydro Power Limited filed the surrender application of the Chango 180 MW HEP and requested for the refund of upfront premium and security deposit paid ₹3,969.45.

5 Other intangible asset

Particulars	Software	Total
Cost or valuation		
As at April 1, 2016	144.30	144.30
Additions	-	-
Disposals	(62.28)	(62.28)
As at March 31, 2017	82.02	82.02
Additions	50.45	50.45
Disposals	(5.46)	(5.46)
As at March 31, 2018	127.01	127.01
Depreciation		
As at April 1, 2016	142.30	142.30
Charge for the year	0.34	0.34
Disposals	(62.25)	(62.25)
As at March 31, 2017	80.39	80.39
Charge for the year	4.26	4.26
Disposals	(5.46)	(5.46)
As at March 31, 2018	79.19	79.19
Net Block		
As at March 31, 2017	1.63	1.63
As at March 31, 2018	47.82	47.82

Doogar & Associates Chartered Accountants Firm Regn. No 000561N New Delhi

Bhilwara Energy Limited

(₹ in Lakhs)

6 INVESTMENTS (NON-CURRENT)	As at March 31, 2018	As at March 31, 2017
10,000 (previous year 10,000) equity share of ₹10/- each fully paid up of Odetta Realty Pvt. Ltd.	1.00	1.00
Investment in others (quoted)		
489 (Previous year 489) equity shares of ₹10/- each fully paid up of Punjab & Sind Bank Ltd. [Market value of the investment ₹17,213 (Previous year ₹26,895)]	0.17	0.27
Investment in listed companies		
Surya Life Insurance Company Ltd.	-	0.05
	1.17	**1.32**
Aggregate amount of quoted investments		
Market value of quoted investments	0.17	0.32
Aggregate amount of unquoted investments	1.00	1.00

7 LOANS	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Security Deposits	201.88	227.38	5.08	5.70
Loan to Employees	70.65	12.34	32.24	28.75
	272.53	**239.72**	**37.32**	**34.45**
Loans and advances to related parties				
Unsecured,considered good	-	-	-	20.18
	-	-	-	**20.18**
Loans to body corporates				
Unsecured,considered good	-	-	756.68	936.18
Unsecured,considered Doubtful				
Doubtful	-	-	849.40	825.00
Less: allowance for doubtful security deposits	-	-	(849.40)	(825.00)
	-	-	**756.68**	**936.18**
	272.53	**239.72**	**794.00**	**990.82**

8 OTHER FINANCIAL ASSETS	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
GBI claim receivable	-	-	47.55	416.22
Bank balance more than 12 month maturity*	738.44	754.68	2.30	-
Bank balance more than 12 month maturity (DSRA)**	250.00	-	-	-
Other advance	-	-	-	16.92
Unbilled revenue	-	-	120.16	597.09
Interest accrued on deposits, FDR & others	30.34	91.99	738.47	383.00
Retention money	29.14	40.78	-	-
Receivable from inox	-	-	-	5.70
Advance for Bara Banghal project [including ₹681.88 Lakhs (previous year ₹681.88 Lakhs) towards consultancy and other expenses on the project] (Unsecured, considered doubtful)	6,801.84	6,801.84	-	-
Less : Provision against upfront premium/other expenditure for Bara Banghal Project	(3,741.84)	(3,741.84)	-	-
Advances recovarable in cash and kind (from others)	-	-	55.45	23.73
Surrender value of keyman insurance policy	21.01	21.01	-	-
Deposit with maturity more than 12 month***	1.00	3.40	-	-
Other receivable	-	-	-	2.81
	4,129.93	**3,971.86**	**963.93**	**1,445.48**

Notes: -

In case of BEL

* Fixed Deposit in current year ₹28.16 Lakhs (previous year ₹25.76 Lakhs) with Vijaya Bank deposited with IREDA towards stamp duty. The company has fully prepaid IREDA Loan and have requested to IREDA to release the FDR.

** FDR of ₹250.00 Lakhs is created for DSRA for loan of ₹5563.44 Lakhs given by Aditya Birla Finance Limited.

In case of MPCL & ADHPL

*Fixed deposit of ₹3.40 Lakhs (previous year ₹2.40 Lakhs) pledged with the H.P. Government Sales Tax Department and Transport Authority

In case of BGWIND

*Fixed Deposit Receipt amounting to ₹706.88 Lakhs (previous year ₹600.00 Lakhs) is for the benefit of Aditya Birla Finance Ltd. and holder of NCD for Debt Service Reserve Account (DSRA) in proportion to the outstanding of the respective borrowings

In case of ICCSL

***Represents FDR Under Lien having maturity of more than 12 months

*** includes deposit of ₹1.00 Lakhs is pledged and originally matured in 2005 but not renewed, hence no interest given by the Bank.

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

9 OTHER ASSETS	Non- Current		Current	
Considered Good, Unless Otherwise Stated	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital Advances	-	266.00	62.10	53.02
Other Advances	-	-	0.19	-
Balance with Government authorities*	1,000.00	-	-	-
TDS receivable & advance taxes	275.08	943.73	-	-
MAT credit entitlement	-	637.86	-	-
Service tax refundable	-	-	-	3.83
Advances recovarable in cash or kind	3,789.45	275.04	215.16	271.24
Prepaid expenses	-	41.58	20.47	22.04
Adavnces to employees	-	11.43	35.00	13.83
Other receivables	-	-	-	30.57
Land acquisition advance	-	-	-	3.44
	5,064.53	2,175.65	332.92	397.98

In case of MPCL & ADHPL
* Amount deposited under protest in favour of Registrar (General) High Court of Himachal Pradesh, Shimla

10 INVENTORIES	As at March 31, 2018	As at March 31, 2017
Stores and spares*	1,132.22	1,001.38
Scrap	12.64	12.64
	1,144.86	1,014.02

In case of MPCL & ADHPL
* Includes store lying with third parties ₹6652.00 Lakhs (previous year ₹4382.00 Lakhs)

11 TRADE RECEIVABLES	As at March 31, 2018	As at March 31, 2017
Unsecured,Considered Good	3,894.59	12,510.21
Unsecured, considered good from group cos.	-	0.65
	3,894.59	12,510.86
Less: allowance for bad and doubtful debts	(318.47)	(317.90)
	3,576.12	12,192.97

12 CASH AND CASH EQUIVALENTS	As at March 31, 2018	As at March 31, 2017
(a) Cash & Cash Equivalents		
- Balance with banks		
On Current Accounts	531.57	1,232.40
In Deposit Accounts (with original maturity less than 3 months)	3,459.53	13,092.49
- Cheques in hand	79.46	-
- Cash on hand	9.87	29.34
	4,080.43	14,354.23
(b) Bank balances (other than cash and cash equivalents)		
(a) In Earmarked Accounts (Deposits kept as margin money against borrowings)	4,729.03	4,532.96
(b) In Deposit Accounts (with original maturity more than 3 months but less than 12 months)	20,988.00	772.00
	25,717.03	5,304.96

13 ASSETS HELD FOR SALE	As at March 31, 2018	As at March 31, 2017
Fixed assets (project equipment) held for sale (at net book value or estimated net realisable value, whichever is lower)	-	1,004.49
	-	1,004.49

14 EQUITY SHARE CAPITAL	As at March 31, 2018	As at March 31, 2017
Authorised		
20,00,00,000 (previous year 20,00,00,000) equity shares of ₹10/- each	20,000.00	20,000.00
40,00,000 (previous year 40,00,000) cummulative redeemable preference shares of ₹100/- each	4,000.00	4,000.00
Issued,subscirbed and fully paid up		
16,57,59,311 (previous year 16,57,59,311) equity shares of ₹10/- each fully paid up	16,575.93	16,575.93
	16,575.93	16,575.93

Notes:
(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2018		As at March 31, 2017	
Equity shares	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
Shares outstanding at the beginning of the year	16,57,59,311	16,575.93	16,57,59,311	16,575.93
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	16,57,59,311	16,575.93	16,57,59,311	16,575.93

DOOGAR & ASSOCIATES * Firm Regn. No. 000561N New Delhi * Chartered Accountants

BHILWARA ENERGY LIMITED

(₹ in Lakhs)

Terms/rights attached to equity shares

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

(b) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

(c) Details of equity shareholders holding more than 5% shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10 each fully paid up				
HEG Limited	4,88,81,556	29.49%	4,88,81,556	29.49%
RSWM Limited	2,94,63,559	17.78%	2,94,63,559	17.78%
Ravi Jhunjhunwala	82,87,966	5.00%	82,87,966	5.00%
LNJ Spark Advisory LLP	3,54,69,782	21.40%	3,54,69,782	21.40%
India Clean Energy III Limited	1,19,57,860	7.21%	1,19,57,860	7.21%
International Finance Corpoartion	83,60,238	5.04%	83,60,238	5.04%
	14,24,20,961	85.92%	14,24,20,961	85.92%

As per the records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership.

15 OTHER EQUITY	As at March 31, 2018		As at March 31, 2017	
(a) **a.Capital reserve**				
Balance at the beginning of the Financial year	10.12		10.12	
Addition during the Financial year	589.07		-	
Balance at the end of the Financial year		599.19		10.12
b.Capital reserve on consolidation				
Balance at the beginning of the Financial year	13,995.04		13,995.04	
Addition during the Financial year	-		-	
Balance at the end of the Financial year		13,995.04		13,995.04
c.Securities premium account				
Balance at the beginning of the Financial year	41,641.56		41,641.56	
Balance at the end of the Financial year		41,641.56		41,641.56
d.Debenture Redemption Reserve				
Balance at the beginning of the Financial year	1,134.39		652.54	
Add: amount transferred from retained earning	-		481.85	
Less: Transferred during the Financial year	(1,134.39)		-	
Balance at the end of the Financial year		-		1,134.39
e.Surplus in the Statement of Profit and Loss				
Balance at the beginning of the Financial year	(884.70)		(1,899.61)	
Addition during the Financial year	5,568.40		1,496.76	
Other comprehensive income for the year	2.11		-	
Less: Transfer to DRR	-		(481.85)	
Balance at the end of the Financial year		4,685.81		(884.70)
f.Other comprehensive income				
Opening balance	9.49		21.01	
Addition during the period	16.06		(11.52)	
Transferred to Profit and Loss	(2.11)		-	
Closing balance		23.44		9.49
Total other equity		60,945.04		55,905.90
(b) **NON CONTROLLING INTEREST**				
Opening balance	51,070.66		47,930.74	
Addition during the period	5,976.01		3,235.71	
Adjustment during the year	(1,137.60)		(95.79)	
Closing balance		55,909.07		51,070.66
Total Other Equity (a+b)		1,16,854.11		1,06,976.56

& ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

(₹ in Lakhs)

16 BORROWINGS	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Term Loans				
From banks (secured)	15,501.41	41,345.41	-	-
Term Loans - From Banks and Financial Institutions*	59,350.35	54,057.14	-	-
-Rupee Loans from financial institutions (Secured)- ABFL-Project Loan	5,563.44	-	-	-
-Rupee Loans from financial institutions (Secured)- ABFL-Corporate Loan	-	11,100.00	-	-
-Rupee Loans from financial institutions (Secured)- IREDA	-	5,563.44	-	-
Compulsorily Convertible Debenture	-	3,200.00	-	-
Debentures				
Non Convertible Debentures (Senior) #	442.20	14,343.31	-	-
Non Convertible Debentures (Subordinate) ##	2,773.88	3,203.25	-	-
Redeemable Non-Convertible Debentures	12,443.34	13,098.25	-	-
Deffered Payment Loan - (Supplier Credit)	1,140.06	-	-	-
Less: Current Maturities of long term borrowings	(6,857.23)	(10,463.49)	-	-
	90,357.45	1,35,447.32	-	-

NOTES:

Additional Disclosures

(A) IN CASE OF HOLDING COMPANY

Term Loan Outstanding

Particulars	Carrying Value ₹ in Lakhs	Loan Maturity	Terms of Repayment
ADITYA BIRLA FINANCE LIMITED - (ABFL)	5,563.44	31.12.2026	Repayable in structured quarterly installments
	5,563.44		

ADITYA BIRLA FINANCE LIMITED (ABFL) - Corporate Loan.

The facility is secured by pledge of minimum 26% of promoter shareholding in the company with an irrevocable power of attorney in favour of Security Trustee (for the benefit of lender) to sell/dispose the shares in the event of default and Demand Promissory note. The facility is further secured by subservient charge on all present and future current assets of the company except TRA/sub-account and FDR pledged/created as DSRA pertaining to 14MW wind power project.

During the year, the company prepaid the entire corporate loan without any prepayment premium and consequently all charge were released on the security.

ADITYA BIRLA FINANCE LIMITED (ABFL) - Project Loan for 14 MW Wind Power Project.

During the year, the company availed term loan facility of ₹5563.44 Lakhs from Aditya Birla Finance Limited to Prepay IREDA Loan. The loan carries interest @9.25% p.a. (Linked to ICICI Bank 1 Year MCLR) payable monthly. The loan is repayable in 35 Quarterly structured installments starting from 30th June 2018 and ending on 31st Dec 2026.

The loan is secured by first pari-passu charge way of mortgage and hypothecation on all immovable & movable fixed assets incl. but not limited to land, Plant & Machinery, current assets incl. Book debts, operating cash flow receivable, escrow accounts & other reserves all pertaining to 14 MW Wind project. The loan is also secured by DSRA equivelent to 1 quarter of principal & interest.

FOR IREDA LOAN

The loan is repayable in 48 quarterly installments (as per schedule V of the agreement dated 09.01.2014) beginning from 31.03.2015. The said loan is secured by the mortgage on all immovable properties and hypothecation of movable assets of wind power project financed by IREDA. (The company has taken loan of ₹6,891.00 Lakhs from IREDA to part finance the 14 MW Wind Power project). The loan carries Interest @11.20% from 1st April, 2016. During the year, the company prepaid the entire outstanding loan by borrowing from Aditya Birla Finance Limited.

(B) IN THE CASE OF MPCL

Particular	Carrying Value ₹ in Lakhs	Loan maturity date	Terms of repayment
IDFC Infrastructure Finance Limited - 1	4,680.48	30.09.2029	Repayable in structured 54 quarterly installments commencing from 31st march 2017 and ending 30 September 2029
IDFC Infrastructure Finance Limited - 2	8,214.71	30.09.2029	Repayable in structured 51 quarterly installments commencing from 31st march 2017 and ending 30 September 2029
India Infradebt Limited	5,635.40	30.09.2029	Repayable in structured 51 quarterly installments commencing from 31st March 2017 and ending on 30th September 2029.
Total	18,530.59		

The Company had taken Indian Rupee term loans from IDFC Infrastructure Finance Ltd. carrying floating interest at ICICI bank base rate plus @0.675% currently @**9.525%** per annum (previous year @**9.925%**) secured against first mortgage and charge on the movable and immovable assets both present and future on pari passu basis.

The Company has taken Indian Rupee term loans from IDFC Infrastructure Finance Ltd. carrying Interest @**9.65%** per annum fixed for 5 years secured against first mortgage and charge on the movable and immovable assets both present and future on pari passu basis.

The Company has taken Indian Rupee term loans from India Infradebt Ltd. carrying interest @**9.65%** per annum fixed for 5 years secured against first mortgage and charge on the movable and immovable assets both present and future on pari passu basis.

IDBI Trusteeship Services Limited is acting as the Security Trustee on behalf of the above two lenders and the charge is jointly created in its favour.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

(₹ In Lakhs)

IN THE CASE OF ADHPL

Particular	Carrying Value ₹ in Lakhs	Loan maturity date	Terms of repayment
IL&FS INFRA(NCDs- sub-debt)	12,443.34	December-23	unequal half yearly installments till December 2023
International Finance Corporation (Washington)	3,899.04	July-20	40 quarterly installments starting from October 2010 till July 2020
International Finance Corporation (Washington)	11,764.13	January-23	46 quarterly installments starting from October 2011 till January 2023
India Infradebt Limited - 1	8,336.73	August-30	56 Structured installments commencing from 31st May 2017 and ending on 31st August 2030.
India Infradebt Limited - 2	2,945.66	August-30	56 Structured installments commencing from 31st May 2017 and ending on 31st August 2030.
IDFC Infrastructure Finance Limited-1	5,268.72	August-30	60 structured installments commencing from 30th May 2016 and ending on 31st August 2030.
IDFC Infrastructure Finance Limited-2	4,264.64	August-30	56 Structured installments commencing from 31st May 2017 and ending on 31st August 2030.
IndusInd Bank Limited	15,492.80	August-30	56 structured installments commencing from 31st May 2017 and ending on 31st August 2030.
Total	**64,415.06**		

\# **Non Convertible Debentures Subordinate (Issued to IL & FS Infrastructure Debt Fund Secured unlisted)**

Redeemable Non-convertible Debenture represent Debenture issued to IL&FS Infrastructure Debt Fund (IDF) during the financial year 2013-14 and 2014-15. The debentures carries interest rate of @10% per annum (previous year @10%) (floating) and were issued at a discount of @0.75% to the face value. The debenture issued to IL&FS IDF are secured by way of :

i. Exclusive charge on the freehold non-agricultural land situated at Mouje Budasan of Kadi Taluka in Dist Mehsana, Gujarat.

ii. Second charge/mortgage on all immovable properties wherever situated, both present and future, and hypothecation of all movable assets, intangibles, bank debts, operating cash flows,all bank accounts, etc., present and future, of the Company, on 2nd pari passu basis. Further, the holding company, Malana Power Company Limited, has provided corporate guarantee in case of default in repayment and has also given subservient pledge of its investment in the Company.

IDBI Trusteeship Services Limited is acting as the Debenture Trustee on behalf of the above debenture holders and the charge has been created in its favour.

The Company has taken Indian Rupee term loans from IndusInd Bank Limited. The loan is carring fixed interest @9.15% p.a. payable monthly till 31st July 2019 and after that the loan will carry interest at the then prevailing Marginal Cost Lending Rate(MCLR) plus spread of @0.40%. (previous year @9.5% per annum).
Secured by way of first mortgage and charge on all immovable properties wherever situated, both present and future, and hypothecation of all movable assets, intangibles, bank debts, operating cash flows,all bank accounts etc., present and future, of the Company, on pari passu basis. Further,the holding company, Malana Power Company Limited, has provided corporate guarantee (up to annual cap of ₹8,000.00 Lakhs) in case of default in repayment and has also pledge its investment in the Company.
A pledge over all the shares held by the Malana Power Company Limited (i.e. 88% of the total equity share capital and except 49,890 (0.01%) shares held jointly with individual shareholders) in favour of the Security Trustee/ the Lender.
IDBI Trusteeship Services Limited is acting as the Security Trustee on behalf of the senior lenders and the charge is jointly created in its favour.

(i) Term loan from a financial institution (represents loan from IFC, Washington, also a minority shareholder) was taken during the financial year 2007-08 and carries fixed interest @7.51% to @10.18% per annum. Further term loan from IFC Washington was taken during the years 2009-10 to 2011-12 and carries fixed interest @10.19% to @11.50% per annum.
Secured by way of first charge and mortgage on all immovable properties wherever situated, both present and future, and hypothecation of all movable assets, intangibles, bank debts, operating cash flows,all bank accounts etc., present and future, of the Company, on pari passu basis. Further,the holding company, Malana Power Company Limited, has provided corporate guarantee (up to annual cap of ₹8,000.00 Lakhs) in case of default in repayment and has also pledged its investment in the Company.
A pledge over all the shares held by the Malana Power Company Limited (i.e. 88% of the total equity share capital and except 49,890 (0.01%) shares held jointly with individual shareholders) in favour of the Security Trustee/ the Lender.
IDBI Trusteeship Services Limited is acting as the Security Trustee on behalf of the senior lenders and the charge is jointly created in its favour.

(ii) The Company had taken Indian Rupee term loans of ₹5268.71 lakhs (IDFC Infrastructure Finance Limited - 1) carrying floating interest at ICICI base rate plus @0.675% currently @9.525% per annum (previous year @9.925% p.a.). Further, the Company has also taken Indian Rupee term loan ₹4264.64 lakhs (IDFC Infrastructure Finance Ltd -2) carrying fixed interest @9.65% p.a. fixed for 5 years.
Secured by way of first mortgage and charge on all immovable properties wherever situated, both present and future, and hypothecation of all movable assets, intangibles, bank debts, operating cash flows,all bank accounts etc., present and future, of the Company, on pari passu basis. Further,the holding company, Malana Power Company Limited, has provided corporate guarantee (up to annual cap of ₹80.00 crores) in case of default in repayment and has also pledged its investment in the Company.
A pledge over all the shares held by the Malana Power Company Limited (i.e. 88% of the total equity share capital and except 49,890 (0.01%) shares held jointly with individual shareholders) in favour of the Security Trustee/ the Lender.
IDBI Trusteeship Services Limited is acting as the Security Trustee on behalf of the senior lenders and the charge is jointly created in its favour.

The Company had taken Indian Rupee term loans from IDFC Infrastructure Finance Ltd. Carrying interest at ICICI base rate plus @0.675% currently @9.925% per annum (previous year @10.425% per annum)secured against first mortgage and charge on the movable and immovable assets both present and future on pari passu basis. repayable in structured 60 quarterly installments commencing from 31st May 2016 and ending on 31st August 2030.

The Company has taken Indian Rupee term loans from IDFC Infrastructure Finance Ltd. carrying interest @9.65% per annum fixed for 5 years secured against first mortgage and charge on the movable and immovable assets both present and future on pari passu basis. Repayable in structured 56 structured installments commencing from 31st May 2017 and ending on 31st August 2030.

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

(iii) The Company has taken Indian Rupee term loans from India Infradebt Ltd.Carryinginterest @9.65% per annum (fixed for 5 years).
Secured by way of first mortgage and charge on all immovable properties wherever situated, both present and future, and hypothecation of all movable assets, intangibles, bank debts, operating cash flows,all bank accounts etc., present and future, of the Company, on pari passu basis. Further,the holding company, Malana Power Company Limited, has provided corporate guarantee (up to annual cap of ₹8,000.00 Lakhs) in case of default in repayment and has also pledged its investment in the Company.
A pledge over all the shares held by the Malana Power Company Limited (i.e. 88% of the total equity share capital and except 49,890 (0.01%) shares held jointly with individual shareholders) in favour of the Security Trustee/ the Lender.
IDBI Trusteeship Services Limited is acting as the Security Trustee on behalf of the senior lenders and the charge is jointly created in its favour.

(C) IN THE CASE OF BGWPL

ABFL-Term Loan - INR

Terms of Repayment are as follows:

	Amount Outstanding as on 31 March 2018	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-31
Lending Institution	**(₹ in Lakhs)**	**(₹ in Lakhs)**	**(₹ in Lakhs)**	**(₹ in Lakhs)**	**(₹ in Lakhs)**
Aditya Birla Finance Limited	4,514.38	248.29	237.00	237.00	3,792.09
No. of Installments - 52*					

***Repayment is in Quarterly Instalments**

The sanctioned amount is ₹7,500.00 Lakhs, however company has till date taken disbursment of only ₹7,314.38 Lakhs. Further, during the current year the company has prepaid ₹2,800.00. so repayment has been considered for ₹4,514.38 Lakhs only.

I **Aditya Birla Finance Limited (ABFL) has sanctioned a term loan ₹10,000.00 Lakhs which has been downsized to ₹7,500.00 Lakhs w.e.f 21 February 2017 at rate of interest of @10.95% p.a. which has now been reduced to @9.25% p.a. w.e.f. 28th Feb 2018 (linked to Axis Bank Limited 1 year MCLR). The Outstanding Loan as on 31 March 2018 is ₹4,514.38 Lakhs. The loan is secured by the followings :-**

(a) A first ranking mortgage and charge over all the immoveable properties (freehold and leasehold) of the Company, both present and future;

(b) A first ranking charge over all movable properties of the company including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other movable assets, both present and future;

(c) A first ranking charge over all the company tangible and intangible assets, including but not limited to its goodwill, undertaking and uncalled capital, both present and future;

(d) A first ranking assignment / charge of all insurance policies, performance bonds, contractors' guarantees and any letter of credit provided by any person under the Project Documents;

(e) A first ranking assignment of all the rights, titles, permits, Clearances, approvals and interests of the company in, to and in respect of the Project Documents and all Contracts

(f) A first ranking charge over all the book debts, operating cash flows, receivables, all other current assets, commission, revenues of the Company and other receivables of the Company , both present and future

(g) A first ranking charge over all the Accounts and all other bank accounts of the Company in respect of or in connection with the Project;

(h) A first ranking pledge over fifty one percent (51%) equity shares of the company, representing fifty one percent (51%) of the voting share capital of the Company.

(i) Corporate guarantee issued by M/s Bhilwara Energy Limited.

(j) Debt Service Reserve ["DSRA"] equivalent to 2 quarter of principal (next two installments due) and Interest.

Non Convertible Debentures Subordinate (Issued to IL & FS Infrastructure Debt Fund Secured unlisted)

I **During the Financial Year 2017-18, the company has issued Secured Unlisted Non Convertible Debenture (NCD) with coupon rate of @13.00% p.a. amounting to ₹3,216.08 Lakhs to IL&FS Infrastructure Debt Fund (IDF) on Private Placement basis, having different tenor with different maturity dates as mentioned in below table.**

SCHEME	Debt. Holder	ISIN No.	No. Of Debentures	₹ in Lakhs	Final Maturity Date
Non Covertible Debentures Subordinate					
Series 1A (Face Value ₹1000/-)	IL&FS IDF	INE131S07014	44220	442.20	31-12-2018
Series 1B (Face Value ₹1000/-)	IL&FS IDF	INE131S07022	277388	2,773.88	31-12-2025
Total			**321608**	**3,216.08**	

ii. **The above NCD are secured on exclusive basis in favour of IDBI Trusteeship Services Limited for the benefit of NCD holders on the followings terms and conditions:-**

(a) Debt Service Reserve half of Annual Debt Service Requirement for the ensuing year.

(b) Pledge over 49% of shares of the Company present & future

(c) Unconditional and Irrevocable Corporate Guarantee from Bhilwara Energy Limited (Holding company)

iii. The above NCD are also secured on subordinated charge basis , in favour of debenture trustees M/s IDBI Trusteeship Services Limited, by way of the following:-

(a) On all the company's immovable properties / assets (both existing and future).

(b) Hypothecation of company's all movable plant and machinery, tangible and intangible assets, receivables, cash, investments and bank accounts, present and future, of the company along with operating cash flows, book debts and receivables, commissions and any other revenues of whatsoever nature and wherever arising, present and future, of the company.

(c) Pledge of 51% of shares outstanding of the Company (present & future)

(d) Assignment of all contracts, documents, insurance, clearances and interests, present and future, of the company except where it is not allowed under the contract.

DOOGAR & ASSOCIATES * Chartered Accountants * Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

iv. Redemption of NCD is structured in quarterly installments. The yearly repayment schedule is as detailed below:-

Amount Outstanding as on 31 March 2018		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-26
NCD - ROI @13% - Non Covertible Debentures Subordinate	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Series 1A	442.20	442.20	-	-	-
No. of Installments - 3					
Series 1B	2,773.88	-	337.69	337.69	2,098.50
No. of Installments - 21					
	3,216.08	442.20	337.69	337.69	2,098.50

i Company / Bhilwara Energy Limited has an option to redeem / purchase the NCD on April 28, 2019 by providing a notice of 180 days without any prepayment penalty

ii The Debenture Holder shall have a right to demand early redemption of the outstanding NCDs without any prepayment penalty on April 28, 2019 by providing a notice of 30 days without any prepayment penalty. The Put option shall be first on Bhilwara Energy Limited to purchase the NCD

17 OTHER FINANCIAL LIABILITIES	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term borrowings	-	-	6,857.23	10,463.49
Security deposits from employees	-	-	26.10	15.25
Bank overdraft*	-	-	397.92	1,633.39
Creditors for capital expenditure	-	-	464.08	482.35
Sundry Creditors	-	-	10.94	-
Employee related	-	-	170.34	103.06
Other payable	-	-	268.05	482.01
Sundry Deposit	-	-	10.76	-
expenses payable	-	-	40.00	51.12
Provision for Expenses	-	-	0.01	-
Interest accrued but not due on loan	-	-	343.38	808.71
Interest accrued and due on compulsory convertible debentures	-	-	-	881.88
Deposit from contractors and others	-	-	3.19	10.28
Outstanding due to creditor	-	-	1.81	0.82
Amount due to related party	-	-	-	42.36
Amount due to group companies	-	-	27.46	5.84
	-	-	8,621.27	14,980.57

Bank overdraft from YES BANK*

In financial year 2016-17, the company has taken overdraft facility of ₹2,000.00 Lakhs from Yes Bank. The purpose of the said limit is to meet short term cash flow mismatches. The limit is secured against subservient charge over entire current assets and movable fixed assets (both present and future) (except TRA/Sub Account and FDR's pledged as DSRA with other lenders) and pledge over 1,79,99,999 equity shares of Chango Yangthang Hydro Power Limited held by the Company. Interest rate is linked to Yes bank MCLR. As on date rate of interest is @11%. p.a.

18 PROVISIONS	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
A. Provision for employee benefits				
-Gratuity	35.78	121.75	42.70	53.27
-Leave encashment	342.86	209.10	24.74	8.55
-Continuity Loyalty Bonus	-	17.68	243.35	249.34
-Super annuation	-	-	-	21.06
	378.64	348.53	310.79	332.22
B. Other Provisions				
Provision for diminution in value of investments (34 I (d&e))	-	-	975.00	4,082.02
	-	-	975.00	4,082.02
	378.64	348.53	1,285.79	4,414.24

19 TRADE PAYABLE	As at March 31, 2018	As at March 31, 2017
Trade payable (Micro, small and medium Enterprises)	0.39	-
Trade payable (Other than Micro, small and medium Enterprises)	2,629.15	6,218.76
	2,629.54	6,218.76

20 DEFERRED TAX LIABILITY	As at March 31, 2018	As at March 31, 2017
Related to Property, plant & equipment	(1,908.66)	3,235.14
Others	(143.02)	(153.97)
	(2,051.68)	3,081.17

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

(₹ in Lakhs)

21 OTHER LIABILITIES

	Non- Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Advances from customers	-	-	104.85	133.14
Statutory dues payable	-	-	312.25	243.43
Others Payable	-	-	2.94	-
GST Payable	-	-	21.38	-
Staff Deposit	-	-	2.00	1.36
	-	-	**443.42**	**377.93**

22 CURRENT TAX LAIBILITY

	As at March 31, 2018	As at March 31, 2017
Provision for tax	271.87	109.80
	271.87	**109.80**

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in lakhs)

23 REVENUE FROM OPERATIONS	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations includes		
a) Sale of products and services	29,020.88	34,572.24
Less : PPA charges	(3.60)	(19.20)
Less : Discount on prompt payments	(1,146.70)	(231.21)
Less : Unscheduled interchange charges	242.35	196.74
Less : Handling charges (NRLDC/ULDC charges)	(11.58)	(16.43)
Transmission charges received	3,371.98	3,126.47
	31,473.33	**37,628.61**
b) Other operating Revenues;		
GBI Claim Received	182.10	656.33
Sale of REC	116.87	-
Other operating Revenues - Incentive received on Generation Loss*	-	58.46
	298.97	**714.79**
Revenue From Operations	**31,772.30**	**38,343.40**

24 OTHER INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
Bank deposits and others	1,662.10	1,612.13
Interest Others	123.49	-
Interest On Delay Payment	7.32	-
Sale of voluntary emission reductions (VER)	2,813.63	3,912.06
Expenses on sale of certified emission reductions	(58.07)	(76.67)
Excess Provision Written Back	0.09	-
Profit on sale of Fixed assets	4.66	5.67
Profit on assets held for sale	-	3.69
Profit on Sale of Investment	10,252.30	-
Profit on Sale of Investment	186.70	-
Dividend income from non current investment	-	0.01
Fair Value of Investments	-	0.10
Insurance claim	-	102.39
Interest on Employee loan	1.09	-
Miscellaneous income	96.70	124.59
Foreign Exchange Fluctuation	-	2.03
Interest on income tax refund	0.42	-
Refund of Income Tax	-	28.00
	15,090.43	**5,714.02**

25 EMPLOYEE BENEFIT EXPENSES	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	2,503.32	2,383.85
Director's remuneration	277.11	258.29
Contribution to provident & other funds	147.79	149.68
Workmen & staff welfare expenses	143.31	132.66
Leave Compensation expense	85.45	26.90
Gratuity Expense	37.07	29.88
	3,194.05	**2,981.27**

26 FINANCE COST	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
On Loans	9,979.30	14,434.99
On Interest on CCD/Advances to Related party	-	538.22
On Debenture	942.36	1,322.62
On Others	1.75	0.90
Deffered Interest	18.75	-
On Working Capital	130.71	59.45
On Income Tax	7.06	12.56
Other Borrowing Costs	259.43	224.74
	11,339.36	**16,593.48**

27 DEPRECIATION AND AMORTIZATION EXPENSES	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Tangible Assets	7,640.87	9,902.82
Impairment	1,000.00	-
	8,640.87	**9,902.82**

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No 000561N

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in lakhs)

28 OTHER EXPENSES	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	72.88	93.54
Rates & taxes	12.65	6.49
Bank charges	0.92	0.09
Lease rental	1.53	-
Stores, spares & other consumables	334.49	246.03
Power and fuel	136.34	139.51
Travelling & conveyance expenses	142.40	137.30
Telephone	1.19	3.30
Business promotion	0.26	0.01
Conveyance expenses	-	3.41
Insurance charges	308.89	417.72
Car running & maint. And hiring expenses	98.03	117.94
Operation & Maintanance Charges	31.49	558.50
Repair & maintenance	463.37	694.39
Communication cost	13.99	15.96
Printing cost	6.75	6.59
Electricity expenses	3.38	-
Internet charges	-	0.65
Legal & professional	609.40	369.75
Social welfare expense	17.72	91.66
REC TXN Charges	2.76	-
Rebate on Early Payment	0.83	-
CSR Expense	109.56	59.08
Printing & stationery	1.61	1.01
Fees and subcription	4.82	51.80
Miscellaneous expenses	253.26	275.15
Security arrangement expense	123.98	135.89
Diminution in Value of Investments	1,558.88	639.35
Fair Value of Investments	0.10	-
Fixed Assets held for sale written off	-	189.42
Loss on sale of fixed assets	12.49	-
Loss on sale of fixed assets written off (net)	-	3.68
Inventory written off	-	129.34
Lease Rentals	-	4.03
Assets held for sale written off	679.11	-
Bad Debt written off	85.49	74.53
Sundry balances written off	25.00	74.00
Director sitting fees	-	0.57
	5,113.54	**4,540.71**
Payment to auditor:		
- Audit fee	25.99	32.32
- Other services	10.62	12.80
- Other expenses	2.56	3.63
	39.17	**48.75**
	5,152.71	**4,589.46**

Corporate social responsibility expenditure	For the year ended March 31, 2018	For the year ended March 31, 2017
Amount required to be spent as per Section 135 of the Act	159.12	67.02
Amount spent during the year on:		
(i) Construction/Acquisition of any asset	9.78	-
(ii) On purposes other than (i) above	99.78	59.08
	109.56	**59.08**

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

(₹ in lakhs)

29 Exceptional item	For the year ended March 31, 2018	For the year ended March 31, 2017
Exceptional item*	6,052.80	-
Refere note no. 33	6,052.80	-

30 Tax Expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax / (Minimum Alternate Tax)	151.56	2,967.93
Current tax	3,233.76	-
MAT Credit Entitlement	-	(154.60)
Less: MAT Credit recognised related to prior years	(4,153.78)	-
Less: MAT Credit utilised during the year	(1,287.28)	(1,133.98)
Deferred tax	(375.53)	(267.92)
	(2,431.27)	1,411.42

31 OTHER COMPREHENSIVE INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	18.45	(15.45)

32 EARNING PER SHARE	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Net Profit for Basic & Diluted EPS	55,68,39,254	14,96,76,154
b) Number of Equity Shares at the beginning of the year	16,57,59,311	16,57,59,311
Total Number of Shares outstanding at the end of the year	16,57,59,311	16,57,59,311
Weighted Average number of Equity Shares outstanding during the year - Basic	16,57,59,311	16,57,59,311
Weighted Average number of Equity Shares outstanding during the year - Diluted	16,57,59,311	16,57,59,311
Earning Per Share - Basic (₹)	3.36	0.90
Earning per share - Diluted (₹)	3.36	0.90
Face value per share (₹)	10.00	10.00

33 *Exceptional item note

In case of Holding Company

Khangteng Hydro Electric Project (7.50 MW) was taken up by the Company to provide construction power to its 780 MW Nyamjung Chhu Hydro Electric Project being developed by the Company through special purpose vehicle namely NJC Hydro Power Limited. The Company started construction work in the year 2009 by taking up various civil, Hydro mechanical and electro mechanical work, and spent an amount of ₹3,339.61 Lakhs from 2009 to Jan 2013.

However, subsequently work on this project was suspended by virtue of order from National Green Tribunal suspending environment clearance of MoEF for 780 MW project. The said environment clearance is still under suspension. Further it was observed that during the period from Jan 2013 to March 2018, all the works done by the Company on the project got seriously damaged and required to be re-done as and when the company restarts the construction.

Based on the assessment, 100% damage has been assessed to various works as abortive work and accordingly being charged up to the statement of profit and loss.

In case of CYHPL

As per the board decision, the company has filed application to Goverment of Himachal Pradesh for surrending the 180 MW project vide letter dated 11th July 2017 and demanded refund of upfront premium ₹3,789.45 Lakhs and security deposit paid ₹180.00 Lakhs. The management of the company is expecting a refund amounting ₹3,969.45 Lakhs therefore the upfront premium ₹3,789.45 Lakhs which was classified in CWIP has been transferred to Other Non-curren Assets and balance amount ₹2,713.18 Lakhs is charged to Profit & Loss Account as an exceptional item

& ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

34. Segment Reporting

The Company's activities during the year involved power generation and consultancy services. Considering the nature of Company's business and operations, there are 2 separate reportable segments in accordance with the requirements of Indian Accounting Standard 108 'Segment Reporting'. The Chief Operational Decision Maker monitors the operating results of both 2 segments for the purpose of making decisions about resource allocation and performance assessment and hence, the additional disclosures are provided as follows:

(₹ in Lakhs)

Particulars		2017-18	2016-17
1	**Segment Revenue**		
	Power	31,228.23	37,787.07
	Consultancy	549.16	642.51
	Sub total	**31,777.39**	**38,429.59**
	Less : Inter-segment revenue	5.09	86.19
	Net segment revenue	**31,772.30**	**38,343.40**
2	**Segment results (profit(+) / loss(-) before tax and interest from each segment**		
	Profit/Loss before tax		
	Power	4847.79	6,175.73
	Consultancy	(4.79)	(27.92)
		4843.00	**6,147.81**
	Less: Provision for taxation		
	Current tax	2055.74	1,679.35
	Deferred tax	(375.53)	(267.92)
	Loss after tax	**7274.27**	**4,736.38**
3	**Other information**		
	I **Segment assets**		
	a) Power	2,36,470.32	2,87,801.57
	b) Consultancy	964.47	729.24
	Total assets	**2,37,434.79**	**2,88,530.81**
	II **Segment liabilities**		
	a) Power	1,02,108.81	1,64,290.45
	b) Consultancy	904.14	687.88
	Total liabilities	**1,03,012.95**	**1,64,978.33**
	III **Capital expenditure (including capital work in progress)**		
	a) Power	1,89,305.32	2,45,435.37
	b) Consultancy	0.34	1.94
		1,89,305.66	**2,45,437.31**
	IV **Depreciation**		
	a) Power	8,639.54	9,902.13
	b) Consultancy	1.33	0.68
		8,640.87	**9,902.82**

35. Statement containing salient features of the financial statements of Subsidiaries (pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 (Form AOC-1)

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited

CIN: U31101DL2006PLC148862

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Part "A": Subsidiaries (₹ in Lakhs)

Particulars/ subsidiaries	Malana Power Company Limited	AD Hydro Power Limited	Indo Canadian Consultancy Services Limited	Balephi Jalvidhyut Company Limited, Nepal	BG Wind Power Limited	NJC Hydro Power Limited	Chango Yangthang Hydro Power Limited
The date when subsidiary was acquired	10.08.2007	10.08.2007**	31.03.2008	12.03.2009***	18.10.2017	16.12.2009	30.03.2011
Reporting Period	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
Reporting Currency	INR	INR	INR	INR	INR	INR	INR
Issued, subscribed & paid up capital	14,752.57	56,015.28	70.66	1,669.17	2,205.00	10,000.00	6,000.00
Reserves	1,04,434.42	(16,920.62)	(10.35)	106.53	(1,657.33)	(80.47)	(2,787.27)
Total assets	**1,39,253.47**	**1,72,108.41**	**964.46**	**1,978.25**	**10,119.31**	**16,172.76**	**3,971.80**
Total liabilities	**20,066.48**	**1,33,013.75**	**904.15**	**202.56**	**9,571.65**	**6,253.23**	**759.07**
Investment (except in subsidiary)	-	-	-	-	-	-	-
Turnover	8,433.93	20,697.63	549.16	-	721.86	-	-
Profit before tax	9,120.59	609.87	(4.79)	-	(1,975.99)	(1.80)	(2,749.88)
Provision for tax	(2,787.25)	355.98	-	-	-	-	-
Profit after taxation	11,907.84	253.89	(4.79)	-	(1,975.99)	(1.80)	(2,749.88)
Proposed Dividend	-	-	-	-	-	-	-
% of Shareholding	**51.00%**	**44.88%**	**75.50%**	**95.86%**	**100%**	**100%**	**100%**

Particulars/ subsidiaries	Malana Power Company Limited	AD Hydro Power Limited	Indo Canadian Consultancy Services Limited	Green Venturs (P) Limited, Nepal	Balephi Jalvidhyut Company Limited, Nepal	Bhilwara Green Energy Limited	BG Wind Power Limited	NJC Hydro Power Limited	LNJ Power Ventures Limited	Chango Yangthang Hydro Power Limited
The date when subsidiary was acquired	10.08.2007	10.08.2007**	31.03.2008	12.09.2007	12.03.2009	31.03.2011	27.10.2014*	16.12.2009	01.01.2013	30.03.2011
Reporting Period	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Issued, subscribed & paid up capital	14,752.57	56,015.28	70.66	6,593.13	1,669.17	5,696.01	2,205.00	10,000.00	100.00	6,000.00
Reserves	92,532.03	(17,173.13)	(29.29)	-	106.53	1,136.49	(270.41)	(78.67)	88.40	(37.56)
Total assets	**1,30,298.40**	**1,72,020.44**	**872.26**	**6,895.02**	**1,882.33**	**31,113.41**	**12,332.66**	**16,114.25**	**11,559.09**	**6,679.80**
Total liabilities	**23,013.80**	**1,33,178.29**	**830.89**	**301.89**	**106.63**	**24,280.91**	**10,398.07**	**6,192.92**	**11,370.69**	**716.55**
Investment (except in subsidiary)	-	-	-	0.05	-	-	-	-	-	-
Turnover	7,851.18	20,329.55	642.51	-	-	6,335.40	0.23	-	1,649.99	-
Profit before tax	7,872.57	252.44	(27.92)	-	-	493.02	(277.28)	(1.73)	(268.01)	(0.83)
Provision for tax	1,388.88	-	-	-	-	22.54	-	-	-	-
Profit after taxation	6,483.69	252.44	(27.92)	-	-	470.48	(277.28)	(1.73)	(268.01)	(0.83)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of Shareholding	**51.00%**	**44.88%**	**75.50%**	**84.67%**	**95.86%**	**100.00%**	**100.00%**	**100.00%**	**74.00%**	**100.00%**

*The date of acquisition of BG Wind Power Limited is same date on which Bhilwara Green Energy Limited acquired BG Wind Power Limited

**The date of acquisition of AD Hydro Power Limited is same on which Malana Power Company Limited acquired AD Hydro Power Limited

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

***For the Companies registered in Nepal-exchange rate has been taken as 100 INR (Indian ₹) =160 NR (Nepali Rupee)

Sr. No.	Name of Subsidiaries which is yet to commence to operations
1	NJC Hydro Power Limited
2	Chango Yangthang Hydro Power Limited
3	Balephi Jalvidhyut Company Limited, Nepal

Sr. No.	Name of Subsidiaries which have been sold during the year
1	Bhilwara Green Energy Limited
2	LNJ Power Ventures Limited
3	Green Ventures Private Limited, Nepal,

Part-B: Associate and Joint Ventures
The Company does not have any Associate/Joint Venture Company.

36. Contingent Liability

(i) In case of holding company

a) The Company has provided Guarantee in favour of International Finance Corporation (IFCs) along with HEG Ltd. and RSWM LIMITED on joint and several basis on behalf of AD Hydro Power Limited (step down subsidiary) for ₹600.00 Lakhs (previous year ₹600.00 Lakhs).

b) The Company has provided Guarantee for securing NCD of ₹3,216.08 Lakhs (previous year ₹3,216.08 Lakhs) issued by wholly owned subsidiary M/s. Bhilwara Green Energy Limited. This corporate guarantee has fallen away as Company sold its entire investment in Bhilwara Green Energy Limited after obtainity prior approval of lender to when corporate guarantee was given.

c) The Company has provided corporate guarantee in favour of IDBI Trusteeship Services Limited for the benefit of NCD debenture holder of ₹3,216.08 Lakhs (previous year NIL) issued by wholly owned subsidiary M/s BG Wind Power Limited.

d) The Company has provided corporate guarantee for debt of ₹7,500.00 Lakhs (previous year ₹7,500.00 Lakhs) availed by M/s BG Wind Power Limited (wholly owned subsidiary) from Aditya Birla Finance Limited.

Note- Since the loss allowance was estimated to be nil, the guarantee is not recognised in the books.
All figures are in ₹ Lakhs except as otherwise stated

(ii) In case of MPCL

a) In respect of assessment years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14, the Assessing Officer raised demands of ₹15.54 Lakhs, ₹34.07 Lakhs, NIL, ₹68.75 Lakhs, ₹38.70 Lakhs, ₹71.19 Lakhs and ₹1.16 Lakhs respectively on account of disallowed certain expenses under MAT computation and is of the view that these expenses were incurred towards exempt income under section 14A of the Income-tax Act, 1961. Based upon the favorable order passed by the Income tax authorities in the past in certain assessment year's appeal proceedings, the Company is of the view that the above said demands are not tenable and frivolous as the investment were made through internal accruals and did not earn any income from the investment during the above said assessment years thus remote in nature.

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Further, in respect of the above said assessment years mentioned in point (i) above under regular Income tax provision, the Assessing officer had disallowed certain expenses including proportionate amount of deduction under section 80-IA, denied the claim of the Company to treat the income from carbon credit as capital receipt etc. The Company is under litigation on the above said matters at Commission of Income tax (Appeals), Income tax Appealate Tribunal (ITAT) and Supreme Court for Assessment years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14, 2014-15 and 2008-09, respectively.

The Company is of the view that no contingent liability exist in relation to Assessment years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 as the Company did not recognize MAT credit in relation to those assessment years Further, in relation to Assessment years 2008-09 and 2014-15, the Company has considered the contingent liability of ₹20.65 Lakhs and ₹30.84 Lakhs, respectively, as the Company recognized the MAT credit in respect of these assessment years

1. **In case of ADHPL:**

(₹ in Lakhs)

Particulars	**As on March 31 2018**	**As on March 31 2017**
Claims against the Company not acknowledged as debt:		
-Demand under The Building & Other Construction Workers Welfare Cess Act, 1996 (BOCW) (Refer note (a) below)	1,459.58	1,459.58
-Demand under Local Area Development Fund (LADF) from Directorate of Energy, Government of Himachal Pradesh (refer note (b) below)	1,427.00	1,427.00
-Demand raised by Directorate of fisheries. Himachal Pradesh (refer note (c) below)	99.75	99.75
-Demand of lease rentals by Himachal Pradesh Govt. for diverted forest land (refer note (d) below)	-	6,233.19

*Company believes that these claims/demands are not probable to be decided against the Company and therefore, no provision for the above is required.

Notes:

(a) During the financial year 2012-2013, the Assessing Officer through its order dated January 23, 2013 has raised a demand of ₹1,459.00 Lakhs under the Building & Other Construction Workers Welfare Cess Act, 1996 ("BOCW Act") for the period from January 1, 2005 to July 31, 2012. The Company is of the view, based upon legal expert opinion, that the obligation to pay Cess under BOCW Act arises for the period commencing from December 8, 2008 to July 1, 2010 only (i.e. from the date when the rules were notified and up to the date when factory license was granted). Based upon this, the Company had filed a writ petition before the High Court of Himachal Pradesh for the above said amount. During the hearing held on February 28, 2013, an interim Stay has been granted against the demand.

Doogar & Associates * Chartered Accountants * Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

Pending any further directions by the High Court and based upon the legal expert opinion, management is of the view that no provision is deemed necessary in the financial statements in this regard.

(b) During 2006, Directorate of Energy of Himachal Pradesh had raised a demand of ₹1,427.00 Lakhs towards local area development fund (LADF) @1.5% of the final cost of the project of ₹1,60,700.00 Lakhs after considering the expenses already incurred by the Company of ₹984.00 Lakhs, based upon the guidelines issued on LADF activities by Government of Himachal Pradesh in December 11, 2006 and as amended in October 5, 2011. However, the management is of the view, this amount was to be computed @1.5% of the total capital cost as reflected in Detailed Project Report i.e. ₹92,200.00 Lakhs in terms of agreement dated November 05, 2005 entered with the Government of Himachal Pradesh, after considering the amount that has already been incurred and deposited by the Company aggregating to ₹1423.00 Lakhs. Considering the above matter, management is of the view that the Company has complied with the conditions agreed in terms of the agreement dated November 05, 2005 with Government of Himachal Pradesh which is prior to the date of guidelines issued in 2006 and thus no additional provision is required. Currently this matter is being contested before High Court of Himachal Pradesh on which stay has been granted on the said demand.

(c) The Department of Fisheries vide letter dated January 4, 2013 directed the Company to pay amount of ₹99.75 Lakhs for granting of No Objection Certificate (NOC) for setting up Hydro Power Project in the state of Himachal Pradesh as per requirements of HP State Pollution Control Board. Management is of the view that the Company is not covered under the negative list under the policy norms issued in 2008 by the Fisheries Department for issuance of NOC in setting up the Power Project in the state of Himachal Pradesh and thus the above said demand is not tenable hence no provision is required.

The Company has filed a writ petition in High Court of Shimla and is contesting the same on the ground that the streams identified in respect of ADHPL project are not covered in the negative list issued by Fisheries Department. The Company has deposited under protest an amount of ₹35.00 Lakhs as per interim order of High Court of Himachal Pradesh. The Hon'ble High Court of Himachal Pradesh has granted stay on the said demand.

(d) During the financial year 2015-2016, the Government of Himachal Pradesh (GOHP) had framed the policy of levying the lease amount on the diverted forest land with retrospective effect and raised the demand of lease rent for the period Dec 28, 2004 in respect of 37.620 hectares and from Feb 16, 2008 for 9.55 hectares, towards the diverted forest land till date. Till previous year, the matter was pending at High Court, Shimla and therefore, Company recognized contingent liability of ₹6,233.19 Lakhs. Further, during the current year the Company has received favorable order from High Court dated July 05, 2017 in which the above said demand has quashed

(e) The Company is subject to certain legal proceedings and claims, which have arisen in the ordinary course of business, for the lands and right to use lands acquired by it and recovery suits filed by various parties. These cases are pending with various courts. After considering the circumstances and legal advice received, the management believes that the chances to decide the case against the Company is remote and thus these cases will not have any material impact on the financial statements.

I. Commitments

(i) <u>In case of MPCL</u>

a) Malana Power Company Limited has entered into agreement with Himachal Pradesh State Electricity Board (HPSEB) to wheel or transfer energy from Bajaura sub-station to 400 KV substation of Powergrid Corporation of India (Powergrid) limited at Nalagarh (i.e. interstate point). The company has agreed to pay wheeling charges. This, being firm commitment, is recognized as an expense, on receipt of monthly bills from HPSEB under the head 'Wheeling Charges' in the statement of profit and loss.

b) At March 31, 2018, the Company has committed for non-disposal of its investment in subsidiary AD Hydro Power Limited to its lenders (similar commitment was there in the previous year also).

Apart from the above, the Company does not have any long term commitments of material non-cancellable contractual commitments/contracts including derivatives contract for which there were any material foreseeable losses.

(ii) <u>In case of ADHPL</u>

a) AD Hydro Power Limited has entered into Bulk Power Transmission Agreement with Power grid Corporation of India Limited (Powergrid) to avail long term open access to the transmission system of Powergrid for transfer of power from Allain Duhangan HEP to Northern Region Constituents. The Company has agreed to share and pay all the transmission charges of Powergrid for a period of 40 years from Commercial Operation Date) i.e. July 29, 2010.This being firm commitment is recognized as an expense, on receipt of monthly bills from Power grid, under the head 'Bulk power transmission charges' in the Statement of profit and loss.

b) The Company has other commitments for the purchase order issued after considering the requirement per operating cycle for purchase of goods and services in the normal course of business. The Company does not have any long term commitments of material non-cancellable contractual commitments/contracts including derivative contract for which there were any material foreseeable losses.

II. Financial Guarantee

(i) <u>In case of MPCL:</u>

a) The Company has provided Corporate/Default Guarantee to FIs/Banks for the loans extended by them to AD Hydro Power Limited (subsidiary company).

(₹ in Lakhs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
a) The amount of outstanding loans covered by such	64,285.79	68,925.71
b) Under the terms of the said guarantee the maximum amount for which the company may be contingently liable during the next 12 months	5,124.65	4,811.65

Doogar & Associates * Chartered Accountants * Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

37. Other notes:

(i) <u>In case of Holding Company:</u>

a) The company has sold its entire equity shares 89.32 Lakhs investment in its subsidiary Green Ventures Private Limited for the consideration of ₹2,180.70 Lakhs as against its total investment of ₹5,684.89 Lakhs to Triveni Energy Private Limited dated 14th December 2017.

b) Balephi Jalvidhyut Company Limited, overseas subsidiary of the company incorporated to erect Balephi HEP 50 MW hydro power plant in Nepal. During the current year, the company has entered into share purchase agreement with its joint venture partner M/s Triveni Hydro Power Private Limited, Nepal dated 8th January 2018 to sell its entire equity shares 25.60 Lakhs for the consideration of ₹625.00 Lakhs (Nepali ₹1,000.94 Lakhs) as against its total investment of ₹1,600.00 Lakhs. The due date for sale is 30th June 2018, subject to receipt of requisite approval by Nepali Party.
Therefore, the Company has made a total provision of ₹975.00 (earlier provision of ₹391.12 Lakhs made in previous year 2016-17) for diminution in value of investments as on 31 March, 2018. The provision of ₹583.88 Lakhs is debited in statement of profit and loss during the year 2017-18.

c) Share Purchase Agreement of the Company with M/s Hero Wind Energy Private Limited

i) The company/BEL has signed Share Purchase Agreement (SPA) on 25th October 2017 (Closing Date) with M/s Hero Wind Energy Private Limited (Hero) for sale of its entire equity stake in M/s Bhilwara Green Energy Limited (BGEL). In SPA, company has given indemnity to Hero for losses imposed on, sustained, incurred or suffered by or asserted against Hero, BGEL, its directors, officers or agents due to (a) any inaccuracy in or any breach of any warranty, (b) any non-fulfillment or breach or any covenants of BEL as mentioned in SPA, (c) due to petition filed by MSEDCL for reclassification of wind zone, or (d) specific indemnity for power failure as mention in SPA.
The liability of BEL towards indemnity is subject to the aggregate cap of ₹7,500.00 Lakhs (except for fraud or willful misrepresentation). With in aggregate cap, the liability of BEL for (a) and (b) shall not exceed ₹3,000.00 Lakhs and for (c) and (d) to ₹5,500.00 Lakhs. Further, if liability under item (c) does not crystallized within 2 years from closing i.e. 25th October 2017, then the aggregate cap shall be reduced to ₹3,000.00 Lakhs.
BEL shall not be liable to make payment of losses (except for fundamental warranty and fraud or willful misrepresentation) under indemnity unless and until such amount exceeds ₹40.00 Lakhs in respect of single incidence of loss.
The Indemnity shall survive (i) for warranties for taxation matters- for 7 years (ii) BEL fundamental warranties or fraud or willful misrepresentation--indefinitely (iii) for breach of covenants or warranties not covered by (i) or (ii)-- for 3 years
MERC vide its order dated 3rd April 2018 disposed off the MSEDCL petition mentioned in (c) above citing no merit in MSEDCL contention.

ii) The company/BEL has signed Share Purchase Agreement (SPA) on 18th October 2017 (Closing Date) with M/s Hero Wind Energy Private Limited (Hero) for sale of its entire equity stake in M/s LNJ Power Ventures Limited (LNJPVL). In SPA, company has given indemnity to Hero for losses imposed on, sustained, incurred or suffered by or asserted against Hero, LNJPVL, its directors, officers or agents due to (a) any inaccuracy in or any breach of any warranty or (b) any non-fulfillment or breach or any covenants of BEL as mentioned in SPA.

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

The liability of BEL towards indemnity under SPA and CCD Purchase Agreement executed on 18th October 2017 amongst Hero, RSWM LIMITED and LNJPVL is subject to the aggregate cap of ₹1,000.00 Lakhs (except for fraud or willful misrepresentation).

BEL shall not be liable to make payment of losses (except for fundamental warranty and fraud or willful misrepresentation) under indemnity unless and until such amount exceeds ₹15.00 Lakhs in respect of single incidence of loss.

The Indemnity shall survive (i) for warranties for taxation matters-for 7 years (ii) BEL fundamental warranties or fraud or willful misrepresentation--indefinitely (iii) for breach of covenants or warranties not covered by (i) or (ii)--for 3 years.

d) The Company has given Sponsor Support Undertaking to the senior lenders (IFC and Senior NCD holders) of M/s Bhilwara Green Energy Limited (wholly owned subsidiary) till the achievement of Project Financial Completion. The Company has also given undertaking to maintain 100% shareholding in M/s Bhilwara Green Energy Limited till the achievement of Project Financial Completion and 51% thereafter. The company has also given corporate guarantee for NCD of ₹3,216.08 Lakhs issued by Bhilwara Green Energy Limited. During the current year, the company after obtaining requisite approval from lender sold its entire equity stake in Bhilwara Green Energy Limited and so all sponsor support undertaking, corporate guarantee and undertaking for maintenance of shareholding has fallen away.

e) The Company has given Undertaking to the Senior lenders (IFC and Yes Bank Ltd) of M/s LNJ Power Ventures Limited (subsidiary of the company) to maintain shareholding (51% shareholding for IFC loan and 100% shareholding for Yes Bank loan). During the current year, the company after obtaining requisite approval from lender sold its entire equity stake in LNJ Power Ventures Limited and so all sponsor support undertaking and undertaking for maintenance of shareholding has fallen away.

f) For the NCD issued by BG Wind Power Limited, the NCD holder can have put option on the Company to purchase its NCD on 28th April 2019 by giving 30 days notice.

38. The Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("The Act") have been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. The information has been relied upon by the auditors.

In case of BGWPL:

The Government of India promulgated an Act namely the Micro, Small and Medium Enterprises (Development) Act, 2014 which came into force from Oct 2006. As per the Act, the Company is required to identify the Micro, Small and Medium enterprises and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. As per the information available with the company and relied upon by the auditors, the company has MSME creditors, refer note no. 19, falls under the definition of 'supplier' as per section 2(n) of the Act to the extent of information available with the company. As there is no overdue amount hence the prescribed disclosures under Section 22 of the Act are not applicable.

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Bhilwara Energy Limited

39. The Company has given undertaking to IDFC Infrastructure Finance Limited, IDFC Infrastructure Finance Limited and India Infradebt Limited for loan of ₹4,900.00 Lakhs. ₹8,600.00 Lakhs and ₹5,900.00 Lakhs respectively availed by Malana Power Company Limited (one of the subsidiary company) to keep the management control and ownership of Malana Power Company Limited (MPCL) at all times during the currency of the facility which would mean (i) holding at least 51% of the issued and paid up equity share capital of MPCL and (ii) the ability to appoint the majority directors on the Board of Directors of MPCL. The Company has also given undertaking to the lenders of MPCL that it will ensure that Mr. Ravi Jhunjhunwala, his family and associates companies will maintain minimum 51% equity shareholding in the company. The Company has also given undertaking to the lenders of MPCL that it will ensure that MPCL is provided with requisite technical, financial and managerial expertise to perform/ discharge its obligations.

40. The Company has given a non disposal undertaking to IDBI Trusteeship Services Limited (Security trustee for the benefit IL&FS Infrastructure Debt Fund) for subscription of secured, redeemable, non-convertible debentures of ₹13,098.24 Lakhs issued by AD Hydro Power Limited, subsidiary company of Malana Power Company Limited, one of the subsidiaries of the company, for non-transfer of shares of Malana Power Company Limited and shall effect no change in the management and control of AD Hydro Power Limited till the debenture trust deed is in force.

41. The Company has given undertaking to IDFC Infrastructure Finance Limited, IDFC Infrastructure Finance Limited, India Infra Debt Fund Limited and Indus Ind Bank Limited for loan of ₹5,546.02 Lakhs, ₹4,400.00 Lakhs, ₹11,700.00 Lakhs and ₹16,000.00 Lakhs respectively availed by M/s AD Hydro Power Limited (one of the Subsidiary company) to ensure that Mr. Ravi Jhunjhunwala, his family and associate companies maintain a minimum of 51% equity share holding in the company i.e. Bhilwara Energy Limited and the company continue to hold at least 51% management control and ownership in Malana Power Company Limited.

42. The company is operating 14MW (7 WTGs of 2 MW each) wind power project in Maharashtra. The Power generated from this project is being sold to Maharashtra State Distribution Company Limited (MSEDCL) on long term Power Purchase Agreement (PPA) for 13 years. The agreement can be renewed or extended only by mutual written agreement with the parties.

a) **<u>In case of MPCL:</u>**

In respect of 200 MW Bara Banghal project in state of HP for which the Company had bid and paid an upfront premium of ₹6,120.00 Lakhs, the Company has decided to shelve off the same as the State Hydro Power Policy is not aligned with MOEF Policy of GOI which prohibits the implementation of a hydro power project in wild life /eco sensitive zone areas. In view of this, the Company has filed a full amount refund claim along with interest. The provision of ₹3,060.00 Lakhs has been recorded during the current year (recognized in previous year ₹3,741.84 Lakhs) shall be written back at the time of acceptance of refund.

(i) The Company received claims of wheeling charges and losses from Himachal Pradesh State Electricity Board (HPSEBL) amounting to ₹5,470.34 Lakhs for the period July 2013 to March 2017 based upon the letter dated April 11, 2017 which was contested by the Company before Hon'ble High Court of Himachal Pradesh.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Hon'ble High Court in its final order dated 12th March 2018 has held that, the wheeling charges and losses claimed by HPSEBL is not adjudicated in terms of the order of the Central Electricity Regulatory Commission (CERC) order dated March 10, 2017 and directed parties to approach HPERC for adjudication of the charges. Therefore the demand or any subsequent demands raised by HPSEBL are not in accordance with the law and order. The Company has also deposited ₹1,000.00 Lakhs with the Registry of the High Court as per the directions dated 1st January 2018 of the Court towards default transmission charges and losses which will be adjustable / payable after the adjudication of the charges by HPERC. In the meantime Company has worked out the transmission / wheeling charges at the default rates prescribed in the CERC Regulations pursuant to the Order of CERC which works out to ₹2,062.20 Lakhs. The Default losses as prescribed are yet to be worked out by HPSEBL. However Company has created a provision of 10 Paisa per KWH for wheeling charges and losses at rates prescribed in the agreement.

Subsequent to year end, the Company has filed Special leave petition with Hon'ble Supreme Court, based on the view that the Hon'ble High Court Order has left all legal questions, raised in the petition, open to be decided at later stage by the appropriate authority which is vital for the case. On April 23, 2018, Hon'ble Supreme court has granted the stay on the judgment and order of Hon'ble High Court of Himachal Pradesh.

(ii) The Company has received claim of UI charges from Himachal Pradesh State Electricity Board Limited (HPSEBL) amounting to ₹924.35 Lakhs for the period April 2008 to January 2017 based upon the letter dated April 11, 2017 and ₹130.16 Lakhs based upon the invoice received for the period February 2017 to December 2017. Total claims payable aggregating to ₹1,054.51 Lakhs. Management is of the view that the UI charges claimed for the above said period is erroneous and no provision is required as it has not been computed by the HPSEBL in accordance with the Open Access Regulations, 2008 read with the UI Regulations, 2009 and DSM Regulations, 2014 (Regulations) as directed by the CERC vide order dated March 10, 2017. Had it been computed based upon the said Regulations, the Management is of the view the UI charges should be recoverable of ₹1,205.50 Lakhs for the period April 2008 to January 2017 and should be payable of ₹69.97 Lakhs for the period February 2017 to December 2017, aggregating to net recoverable of ₹1,135.53 Lakhs as on December 31, 2017. The Company has not received any invoice for the period January 2018 to March 2018. Till date, the Company is under discussion with HPSEBL to reconcile the above said matter and thus the consequential impact would be accounted for after the reconciliation of the same.

(iii) The Company has filed a Petition with CERC in November 2014 for recovery of excess handling charges and claiming that it had been wrongly charged by HPSEBL. In this regard, the Company has received favorable order in March 2017. The Company has estimated an amount of recovery of ₹887.98 Lakhs towards handling charges including interest @9% per annum for the period April 2008 to March 2016 as against an amount confirmed by HPSEBL amounting to ₹821.43 Lakhs. The Company is of the view the same will be accounted for as income on receipt of amount.

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

(iv) The Company has an investments amounting to ₹49,295.56 Lakhs in AD Hydro Power Limited (subsidiary company) and has also unsecured loan receivables (including accrued interest of ₹20,735.99 Lakhs) amounting to ₹67,115.99 Lakhs as on March 31, 2018, total balance recoverable from subsidiary company aggregating to ₹1,16,411.55 Lakhs as on March 31, 2018. As against this, net assets of the subsidiary company as on March 31, 2018 aggregating to ₹93,465.40 Lakhs (88% of total net assets of ₹1,06,210.68 Lakhs excluding the effect of outstanding balance of unsecured loan and accrued interest payables). The net financial exposure towards recoverability from subsidiary company is of ₹22,946.15 Lakhs as on March 31, 2018. In view of this, the Company has carried out an evaluation of the subsidiary company's financial performance after taking into account the future projections and expected future cash flows. Based on such evaluation, the management is of the view that there is no other than temporary diminution in the value of investments is required and the unsecured loans receivables (including accrued interest) are good and fully recoverable.

b) In case of ADHPL:

(i) As on March 31, 2018, the Company has net-worth of ₹39,094.68 Lakhs (previous year ₹38,842.15 Lakhs) and has accumulated losses of ₹16,920.60 Lakhs as at March 31, 2018. Based on financial projections (including the projected tariff) arrived at after considering the past experience of running similar power project and renewable source of fuel, management believes that profits will continue to accrue on account of expected increase in tariff and hence no adjustments are required to the carrying amount of property, plant and equipment on account of impairment and the Company will have sufficient cash flow to meets its future obligations.

(ii) Everest Power Private Limited (EPPL) is using the dedicated transmission line of ADHPL. Initially, for using the transmission system of the Company, Transmission charges to be paid by EPPL were not agreed. As per the Appellate Tribunal for Electricity's ('APTEL') interim order dated June 10, 2011, an Interim Power Transmission Agreement (IPTA) was signed between ADHPL and EPPL on August 9, 2011 in which EPPL agreed to pay monthly transmission charges of ₹227.80 Lakhs for the EPPL's Injected energy / power wheeled through the transmission system of ADHPL. Subsequently, EPPL has raised dispute on determination of the transmission charges and stopped the payment of transmission charges after October 2012. The Company ultimately filed an appeal before the Hon'ble Supreme Court of India who gave directions for the payment of arrears of transmission charges and continuation of the payment of monthly transmission charges as per the IPTA till the final adjudication on the matter by it. Based on Supreme Court direction, EPPL has started making the payment; however same was again stopped from March 2017. Supreme Court in its final Judgment on April 26, 2017 held that CERC has jurisdiction over the case and determination of tariff and disputes on this matter. Accordingly the Company has filed tariff petition with CERC on September 8, 2017.

As on March 31, 2018, the matter is pending with CERC for determination of final tariff to be paid by EPPL.

(iii) Himachal Pradesh State Electricity Board Limited (HPSEBL) had withheld an amount of ₹316.68 Lakhs on account of energy not supplied to them because of shut down of plant on date August 20, 2010. In the previous year Company initiated the arbitration proceedings to the recover the said amount. In 2015, the Hon'ble Arbitrator had decided the matter in favour of HPSEBL against which the Company has preferred an appeal before the Hon'ble High Court of Shimla. Currently the matter is under adjudication.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

The management is of the view that it had already informed HPSEB about the shut down as the schedule was given of NIL power for the period of shut down, therefore the claim of HPSEB in not legally tenable. However the entire receivable of ₹316.68 Lakhs has been provided by the Company in the prior year.

(iv) In the absence of profits available for payment of dividend the Company has not created any debenture redemption reserve during the current year.

c) **In case of ICCSL:**

i) Retention and Earnest money deposit amounting to ₹29.64 Lakhs (previous year ₹41.28 Lakhs) is outstanding for recovery from various parties since long. However, the management is hopeful to recover this amount and no provision has been considered at present.

ii) Security Deposit amounting to ₹4.58 Lakhs (previous year ₹4.58 Lakhs) was given to a party is outstanding for recovery / adjustment since 2007. However, the management is hopeful to recover this amount and no provision has been considered at present.

iii) In the opinion of the Management and to the best of their knowledge and believe, the value on realization of current assets, Loan & Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

iv) Balance of Trade Receivable / Payable Loans / Advances are subject to confirmation.

d) **In case of NJCHPL:**

i) During the financial year 2012-13, an NGO had filed a legal case against the Company at National Green Tribunal (NGT) challenging the Environmental Clearance (EC) given to the Company. Due to this the Company had to put the entire Nyamjang Chhu HEP (6x130 MW) project on hold. NGT in their order dated 7th April, 2016 has suspended the Environment Clearance granted to the project till the studies as directed by NGT are carried out, public consultation had also been done, the EAC considers outcome of such public consultation, carries out a fresh appraisal of proposal for grant of EC, makes recommendation to the MOEF&CC and the MOEF&CC acts upon such recommendation in accordance with the law. NGT also directed MOEF&CC to make a separate study of E-Flow requirement for protection of Habitat of the Black Nacked Crane and for the conservation of the Black Nacked Crane through the Wildlife Institute of India.

ii) The company is in the process of implementing a hydro electric power project in the state of Arunachal Pradesh. Presently all activities are being carried out in process of project implementation and all direct and indirect expenditure is related to the project and, hence, forms part of capital work in progress. Preliminary expenses/ROC expenses are charged off to statement of profit & loss as period cost & other relevant details have been furnished in the note no.4 'Project & Pre-operative expenditure (pending allocation). Balance standing in this account at this of project commissioning will be allocated to the relevant assets.

iii) The Information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("The Act") have been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. The information has been relied upon by the auditors.

e) **In case of BJCL, Nepal**

Mr. Trilock Chandra Agrawal, Mr Subhash Chnadra Sanghai & Mr Ashok Kumar Agrawal has given personal Bank Guarantee of ₹88.50 Lakhs through Sunrise Bank to Nepal Electricity Authority on behalf of company for the PPA purpose.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

43. Employee benefit

I. Gratuity

a. Assets and Liability (Balance Sheet Position)

Particulars	As on (₹ in Lakhs)	
	31-Mar-18	31-Mar-17
Present Value of Obligation	574.00	530.32
Fair Value of Plan Assets	534.45	470.64
Surplus / (Deficit)	**(39.55)**	**(59.68)**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(39.55)**	**(59.68)**

b. Expenses Recognized during the period

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
In Income Statement	43.07	39.18
In Other Comprehensive Income	(21.77)	10.72
Total Expenses Recognized during the period	**21.30**	**49.90**

c. Changes in the Present Value of Obligation

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at the beginning	530.32	438.84
Current Service Cost	41.58	40.00
Interest Expense or Cost	39.08	34.96
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	4.71	42.30
- experience variance (i.e. Actual experience vs. assumptions)	(23.88)	2.82
- others	-	-
Past Service Cost	0.78	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(18.60)	(28.60)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**574.00**	**530.32**

d. Changes in the Fair Value of Plan Assets

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Fair Value of Plan Assets as at the beginning	470.64	406.08
Investment Income	34.13	44.72
Employer's Contribution	50.50	43.18
Employee's Contribution	-	-
Benefits Paid	(18.60)	(28.17)
Return on plan assets , excluding amount recognised in net interest expense	(2.22)	4.83
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**534.45**	**470.64**

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Bhilwara Energy Limited

Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

Particulars	As on (₹ in Lakhs)	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	27.51	12.14
Non-Current Liability (Long term)	546.49	518.18
Present Value of Obligation	**574.00**	**530.32**

e. Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Current Service Cost	41.58	40.00
Past Service Cost	0.78	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.42	2.63
Expenses Recognised in the Income Statement	**46.78**	**42.63**

f. Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(12.37)	(23.76)
- experience variance (i.e. Actual experience vs. assumptions)	(23.88)	2.82
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	1.70	7.56
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	**(34.55)**	**(13.38)**

g. Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As on	
	31-Mar-18	31-Mar-17
Funds managed by Insurer	100%	100%
Total	100%	100%

h. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.77%	7.43%
Salary growth rate (per annum)	5.86%	6.00%

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

i. Demographic Assumptions

Particulars	As on	
	31-Mar-18	31-Mar-17
Mortality Rate (% of IALM 06-08)	100%	100%
Normal retirement age	60 years	60 years
Withdrawal rates, based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31-44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

j. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Defined Benefit Obligation (Base)	574.00	530.32

Particulars	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	183.12	114.39	204.77	129.78
(% change compared to base due to sensitivity)	15.5%	-12.8%	15.1%	-12.6%
Salary Growth Rate (- / + 1%)	113.88	183.20	129.48	204.51
(% change compared to base due to sensitivity)	-13.1%	15.7%	-12.9%	15.2%
Attrition Rate (- / + 50% of attrition rates)	146.31	147.04	165.46	164.20
(% change compared to base due to sensitivity)	-2.8%	2.5%	-1.7%	1.6%
Mortality Rate (- / + 10% of mortality rates)	146.69	146.70	164.86	164.75
(% change compared to base due to sensitivity)	-0.1%	0.1%	-0.1%	0.1%

k. Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	14 years

Expected cash flows over the next (valued on undiscounted basis):	(₹ in Lakhs)
1 year	27.51
2 to 5 years	231.24
6 to 10 years	35.40
More than 10 years	555.15

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

II. Leave Encashment

(a) Assets and Liability (Balance Sheet Position)

Particulars	As on (₹ in Lakhs)	
	31-Mar-18	31-Mar-17
Present Value of Obligation	367.60	302.57
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	(367.60)	(302.57)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(367.60)**	**(302.57)**

(b) Expenses Recognized in Income Statement

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Expenses Recognized in Income Statement	67.87	32.31

(c) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at the beginning	302.57	299.32
Current Service Cost	27.72	28.75
Interest Expense or Cost	22.31	23.81
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	38.46	(5.65)
- experience variance (i.e. actual experience vs. assumptions)	(21.91)	(38.42)
- others	-	-
Past Service Cost	1.29	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(2.84)	(5.24)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**367.60**	**302.57**

Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

Particulars	As on	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	24.74	8.10
Non-Current Liability (Long term)	342.86	294.47
Present Value of Obligation as at the end	**367.60**	**302.57**

Doogar & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Bhilwara Energy Limited

(d)Expenses Recognized in Income Statement

Particulars	For the period ending (₹ in Lakhs)	
	31-Mar-18	**31-Mar-17**
Current Service Cost	27.72	28.75
Past Service Cost	1.29	-
Loss/ (Gain) on settlement	-	-
Net Interest Cost / (Income) the Net Defined Benefit Liability / (Asset)	22.31	23.81
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	38.46	(5.65)
- experience variance (i.e. actual experience vs. assumptions)	(21.91)	(38.42)
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Expenses Recognized in Income Statement	**67.87**	**8.49**

(e)Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-18	**31-Mar-17**
Discount rate (per annum)	7.77%	7.43%
Salary growth rate (per annum)	5.86%	6.00%

(f) Demographic Assumptions

Particulars	As on	
	31-Mar-18	**31-Mar-17**
Mortality Rate (as % of IALM 2006-08)	100%	100%
Normal retirement age	60 years	60 years
Withdrawal rates, based on age: (per annum)		
Up to 30 years	3%	3%
31-44 years	2%	2%
Above 44 years	1%	1%
Rate of Leave Availment (per annum)	1%	1%
Rate of Leave Encashment during employment (per annum)	0%	0%
Proportion of Leave Availment	-	-
Proportion of Leave Encashment	-	-

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

(g) Sensitivity Analysis

Significant actuarial assumptions for the determination of the leave liability are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Present Value of Obligation (Base)	367.60	302.57

Particulars	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	129.95	81.14	141.09	92.72
(% change compared to base due to sensitivity)	13.9%	-11.6%	15.2%	-6.4%
Salary Growth Rate (- / + 1%)	80.78	130.00	100.54	140.88
(% change compared to base due to sensitivity)	-11.9%	14.0%	-12.0%	14.0%
Attrition Rate (- / + 50% of attrition rates)	103.92	104.18	115.93	114.61
(% change compared to base due to sensitivity)	-2.5%	2.3%	-1.5%	1.4%
Mortality Rate (- / + 10% of mortality rates)	104.06	104.06	115.28	115.20
(% change compared to base due to sensitivity)	-0.1%	0.1%	-0.1%	0.1%

(h) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	13 years

Expected cash flows over the next (valued on undiscounted basis):	₹ in Lakhs
1 year	24.74
2 to 5 years	111.03
6 to 10 years	36.09
More than 10 years	389.48

44. Defined contribution plan

In case of holding company

(₹ in Lakhs)

Particulars	As on 31-Mar-2018	As on 31-Mar-2017
Employer's Contribution to provident fund	11.56	12.50
Total	**11.56**	**12.50**

In case of MPCL

The Company makes Provident Fund contributions which are defined contribution plan, for qualifying employees. Under the scheme Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹39.82 Lakhs (previous year ₹36.71 Lakhs) in the statement of profit and loss account.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

In case of ADHPL

The Company makes Provident Fund contributions which are defined contribution plan, for qualifying employees. Under the scheme Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹60.51 Lakhs (previous year ₹ 56.25 Lakhs) in the statement of profit and loss account.

45. Bhilwara Energy Employee Stock Option Plan 2010

On 21st December, 2010, the company has granted 10,68,820 stock options as per Bhilwara Energy ESOP 2010 to its employees including those of subsidiary companies.

Salient features of the plan

Parameters/terms of grant	Explanation
Total number of options granted	A total of 10,68,820 options are being awarded in the current grant amounting to 0.70% of the total paid up capital as on the grant date.
Total number of options accepted	10,68,820
Total number of Valid options	5,65,055
Total number of options lapsed	5,03,765
Categorization of employees	All eligible employees as defined in the plan document.
Fair Share Price	₹82/-
Exercise price per option	₹82/-
Grant Date	21st December, 2010
Vesting Period	The options would vest in the grantee over a period of three years from the date of grant.
Vesting Schedule	The options would vest as per the following schedule:
	-20% of the options would vest at the end of 12 months from the date of grant.
	-30% of the options would vest at the end of 24 months from the date of grant.
	-50% of the options would vest at the end of 36 months from the date of grant.
Closing Date	The closing date of the plan is two months from the date of grant. That is all award recipients need to accept the offer before this date.
Exercise Period	The exercise period for the options granted is effectively eight years from the date of grant. That is, all vested options should be exercised within this period.
Exercise Conditions	As per Bhilwara Energy ESOP 2010 plan.
No accounting treatment has been made for ESOP in current accounting period as there is no difference in the fair price of the share and exercise price per option. Moreover, none of the employees has so far exercised any of the options till the close of accounting year.	

46. Related Party Transaction

a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).

i.	Malana Power Company Limited (MPCL)	- Subsidiary
ii.	AD Hydro Power Limited (ADHPL)	- Subsidiary of a fellow Subsidiary
iii.	Indo Canadian Consultancy Services Limited (ICCSL)	- Subsidiary
iv.	NJC Hydro Power Limited (NJCHPL)	- Subsidiary
v.	Chango Yangthang Hydro Power Limited (CYHPL)	- Subsidiary
vi.	Balephi Jalvidhyut Company Limited, Nepal (BJCL)	- Subsidiary
vii.	Bhilwara Green Energy Limited (BGEL) **(Date of Cessation-25.10.2017)**	- Subsidiary
viii.	LNJ Power Ventures Limited (LNJPVL) **(Date of Cessation-26.10.2017)**	- Subsidiary
ix.	BG Wind Power Limited (BGWPL) **(Subsidiary of BEL w.e.f.18.10.2017)** **(Till 18.10.2017 Subsidiary of Subsidiary)**	- Subsidiary
x.	Green Ventures Private Limited, Nepal (GVPL) **(Date of cessation-14.12.2017)**	- Subsidiary

b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;

i. HEG Limited
ii. Statkraft Market Pvt. Ltd. India
iii. Statkraft Invest Asia Pte. Limited, Singapore
iv. Statkraft India Pvt. Ltd.
v. Statkraft Holding Singapore Ltd.

c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.

i. Mr. Ravi Jhunjhunwala
ii. Mr. Riju Jhunjhunwala
iii. Mr. Rishabh Jhunjhunwala
iv. Mrs. Rita Jhunjhunwala

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

d) Key Management Personnel and their relatives

In case of Holding Companies

i.	Mr. Ravi Jhunjhunwala	Chairman
ii.	Mr. Riju Jhunjhunwala	Managing Director
iii.	Mr. Rishabh Jhunjhunwala	Managing Director
iv.	Mr. Krishna Prasad	Chief Financial Officer
v.	Mr. Ravi Gupta	Company Secretary

In case of Subsidiaries

i. Mr. O.P. Ajmera (Director in NJCHPL, CYHPL, BGWPL& ICCSL AND CFO of MPCL/ADHPL).
ii. Mr. R.P. Goel (Whole Time Director, ADHPL).
iii. Mr. Arvind Gupta (Company Secretary, MPCL & ADHPL).
iv. Mr. Ravi Gupta (Company Secretary, NJCHPL).
v. Mr. Krishna Prasad (Chief Financial Officer, NJCHPL).
vi. Mr. Jainender Kardam (Manager, NJCHPL)
vii. Ms. Vilakshna Pandit (Company Secretary, BGWPL).
viii. Mr. Dibyendu Saha (Manager, BGWPL).
ix. Mr. Rahul Sharma (Chief financial Officer, BGWPL).
x. Ms. Srishti Saxena (Company Secretary, CYHPL).
xi. Mr. Pradeep Kumar Sharma (Manager, CYHPL).
xii. Mr. Sushil Kumar (Chief Financial Officer, CYHPL).

e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

i. RSWM Limited.
ii. Bhilwara Scribe Private Limited.
iii. Deepak Knits & Textiles Private Limited.
iv. Maral Overseas Limited.
v. Bhilwara Technical Textiles Limited.
vi. BMD Private Limited.
vii. Bhilwara Infoway Private Limited.
viii. Bhilwara Services Private Limited.
ix. LNJ Bhilwara Textile Anusandhan Vikas Kendra.
x. Odetta Realty Private Limited.
xi. BSL Limited.
xii. HEG Limited.

f) Trust under common control

i. Malana Power Company Limited Employees Gratuity Trust.
ii. Malana Power Company Limited Sr. Executive Company Superannuation Scheme Trust.
iii. AD Hydro Power Limited Employees Group Gratuity Trust.
iv. AD Hydro Power Limited Sr. Executive Company Superannuation Scheme Trust.

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

Particulars	2017-18	2016-17
With parties referred to in item (a) above	(₹ in Lakhs)	
With parties referred to in item (b) above		
Reimbursement of expenses paid by MPCL to HEG	-	0.15
Reimbursement of expenses paid by BEL to HEG	-	0.58
With parties referred to in item (c) above		
Remuneration paid to Mr. Ravi Jhunjhunwala by MPCL	239.48	220.66
Rent paid to Mr. Riju Jhunjhunwala by MPCL	16.45	17.24
Rent paid to Mr. Rishabh Jhunjhunwala by MPCL	16.45	17.24
Remuneration paid to Mr. Riju Jhunjhunwala by BEL	40.18	40.03
Remuneration paid to Mr. Rishabh Jhunjhunwala by BEL	40.18	40.03
With parties referred to in item (d) above, other than those included in (c) above		
Rent paid to Mrs. Rita Jhunjhunwala by MPCL	16.95	17.77
Remuneration paid to Mr. R P Goel by ADHPL	44.81	44.81
Remuneration to Mr. Arvind Gupta by MPCL	14.98	13.26
Remuneration to Mr. O P Ajmera by MPCL	164.88	156.00
Remuneration paid to Mr. Ravi Gupta by BEL	27.12	23.79
Remuneration paid to Mr. Krishna Prasad by BEL	21.67	19.18
Remuneration to Mr. Anil Kumar CYHPL	-	5.48
Remuneration to Mr. Sushil Kumar CYHPL	6.05	-
Remuneration to Ms. Srishti Saxena by CYHPL	3.09	2.91
Remuneration to Mr. Pradeep Kumar Sharma by CYHPL	15.34	13.25
Remuneration to Ms. Vilakshna Pandit by BGEL	-	3.57
Remuneration to Ms. Vilakshna Pandit by BGWPL	1.88	-
Remuneration to Mr. Dibyendu Saha by BGEL	-	11.57
Remuneration to Mr. Dibyendu Saha by BGWPL	6.39	-
Remuneration to Mr. Rahul Sharma by BGEL		3.80
Remuneration to Mr. Rahul Sharma by BGWPL	2.15	-
With parties referred to in item (e) above		
Services rendered to BMD by ICCSL	-	13.57
Services rendered to ADHPL by ICCSL	5.08	6.12
Reimbursement of expenses paid to RSWM by ICCSL	23.50	18.28
Reimbursement of expenses paid to RSWM by BEL	13.43	0.45
Rent paid to RSWM by ICCSL	9.81	13.50
Rent paid to RSWM by MPCL	17.45	21.17
Rent paid to RSWM by BGEL	-	8.94
Reimbursement of expenses paid to RSWM by MPCL	13.71	14.80
Reimbursement of expenses paid to RSWM by BGEL	-	9.26
Sale of electricity to RSWM by LNJPVL	-	1,591.53
Amount payable to RSWM by LNJPVL	-	506.56
Bank Charges paid by RSWM for LNJPVL	-	8.43
Amount of debentures outstanding towards RSWM by LNJPVL	-	3,200.00
Amount payable to RSWM by ICCSL	369.93	356.14
Amount Paid to Statkraft Market private limited, India towards trade margin	20.27	19.76
Guarantees given by the MPCL on behalf of AD Hydro Power Limited	5,129.11	4,811.64
With parties referred to in item (f) above		
Addition in contribution MPCL Employee Group Gratuity Trust	21.70	20.63
Claims from MPCL Employee Group Gratuity Trust	1.08	6.38
Addition in contribution MPCL Senior Executive Group Superannuation Trust	6.00	5.84
Claim from contribution MPCL Senior Executive Group Superannuation Trust	-	7.63
Contribution towards Employees Group Gratuity Trust-ADHPL	19.72	27.86
Contribution towards Sr. Executive Group Superannuation Scheme Trust-ADHPL	6.00	5.95
Claims from Employees Group Gratuity Trust- ADHPL	1.18	11.93
Claims from Sr. Executive Group Superannuation Scheme Trust- ADHPL	-	7.65

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited

CIN: U31101DL2006PLC148862

Notes to Consolidated Financial Statements for the year ended March 31, 2018

<u>In case of holding company</u>

Outstanding from Persons referred to in (c) & (d)

(₹ in Lakhs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Mr. Ravi Gupta-Home Loan	2.13	3.73
Mr. Ravi Gupta-Advance Salary	0.78	-

Security Deposit / Advance from Persons referred to in (c) & (d)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Mr. Krishna Prasad - Security Deposit for Car	1.01	0.76
Mr. Rishabh Jhunjhunwala- Security Deposit for Car	25.09	25.09

<u>In case of MPCL</u>

Outstanding from Persons referred to in (b)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Balances Payable at the year-end:		
Statkraft Market Private Limited	0.15	-

Outstanding from Persons referred to in (c) & (d)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Balances Payable at the year-end:		
Commisson payable to Mr. Ravi Jhunjhunwala	91.73	79.10

<u>In case of ADHP</u>

Outstanding from Persons referred to in (b)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Balances Payable at the year-end:		
-Statkraft Market Private Limited	0.30	0.89

47. Compensation of Key Managerial Personnel

<u>In Case of Holding Company</u>

	As at 31 March 2018					**As at 31 March 2017**				
Particulars	**Mr. Riju Jhunjhunwala (Managing Director)**	**Mr. Rishabh Jhunjhunwala (Managing Director)**	**Mr. Ravi Gupta (CS)**	**Mr. Krishna Prasad (CFO)**	**Total**	**Mr. Riju Jhunjhunwala (Managing Director)**	**Mr. Rishabh Jhunjhunwala (Managing Director)**	**Mr. Ravi Gupta (CS)**	**Mr. Krishna Prasad (CFO)**	**Total**
Short Term Benefits	36.00	36.00	25.87	20.76	118.63	35.85	35.85	22.71	18.39	112.80
Defined Contribution Plan	4.18	4.18	1.24	0.91	10.51	4.18	4.18	1.08	0.79	10.22
Total	**40.18**	**40.18**	**27.12**	**21.67**	**129.14**	**40.03**	**40.03**	**23.79**	**19.18**	**123.02**

<u>In Case of MPCL</u>

	March 31, 2018					**March 31, 2017**				
	CMD	**WTD**	**CEO & CFO**	**C.S.**		**CMD**	**WTD**	**CEO & CFO**	**C.S.**	
Particulars	**Mr.Ravi Jhunjhunwala**	**Mr.R P Goel**	**Mr. O P Ajmera**	**Mr. Arvind Gupta**	**Total**	**Mr.Ravi Jhunjhunwala**	**Mr.R P Goel**	**Mr. O P Ajmera**	**Mr. Arvind Gupta**	**Total**
Short Term Benefit	229.51	44.81	164.88	14.98	454.18	211.12	44.81	146.82	12.80	415.55
Defined Contribution Plan	9.97	-	10.73	0.74	20.74	9.54	-	9.18	0.65	19.37
Total	**239.48**	**44.81**	**175.61**	**15.72**	**474.92**	**220.66**	**44.81**	**156.00**	**13.45**	**434.92**

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

In Case of ADHPL

Particulars	As at March 31, 2018	As at March 31, 2017
	Whole Time Director	Whole Time Director
	Mr. R P Goel	Mr. R P Goel
Short Term Benefit	44.81	44.81
	44.81	**44.81**

In Case of CYHPL

Particulars	As at March 31, 2018				As at March 31, 2017			
	Mr. Sushil Kumar (w.e.f. 10th April, 2017) (CFO)	Mr. Pradeep Kumar Sharma (Manager)	Ms. Srishti Saxena (CS)	Total	Mr. Anil Kumar (upto 30th Sep, 2016) (CFO)	Mr. Pradeep Kumar Sharma (Manage)	Ms. Srishti Saxena (CS)	Total
Short Term Benefits	6.05	15.34	3.09	24.48	5.48	13.25	2.91	21.64
Total	**6.05**	**15.34**	**3.09**	**24.48**	**5.48**	**13.25**	**2.91**	**21.64**

In Case of BGWPL

Particulars	As at March 31, 2018				As at March 31, 2017			
	Mr. Rahul Sharma (CFO)	Mr. Dibyendu Saha (Manager)	Ms. Vilakshna Pandit (CS)	Total	Mr. Girish Kumar Singh (CFO)	Mr. Dibyendu Saha (Manager)	Ms. Vilakshna Pandit (CS)	Total
Short Term Benefits	2.15	6.39	1.88	10.41	-	-	-	-
Total	**2.15**	**6.39**	**1.88**	**10.41**	-	-	-	-

In case of BJCL, Nepal

Name	Relation	2017-18	2016-17
Purshottam Lal Sanghai	Shareholder	Payable of ₹5.98 Lakhs	Payable of ₹0.36 Lakhs
Subash Chandra Sanghai	Shareholder	Payable of ₹91.67 Lakhs to Subhash Chandra Sanghai	Payable of ₹56.67 Lakhs
Govind Lal Sanghai	Shareholder	Payable of ₹53.03 Lakhs to Govind Lal Sanghai.	Payable of ₹48.66 Lakhs
Mega Star Reality Private Limited	Two Common Directors	Receivable of ₹45.10 Lakhs for payment of advance to purchase land.	Receivable of ₹45.10 Lakhs for payment of advance to purchase land
Triveni Hydro Power Private Limited	Shareholder	Payable of ₹106.53 Lakhs	

48. Financial risk management and objective policies

The company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits. The company is exposed to interest rate risk on variable rate long term borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

I. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

i. Interest Risk Exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	**March 31, 2018**	**March 31, 2017**
Variable rate borrowings	34,901.52	1,16,070.45
Fixed rate borrowings	61,173.10	29,840.35
Total	**96,074.62**	**1,45,910.80**

ii. Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The table below summarizes the impact of increase and decrease of profit after tax on change in interest rate on floating rate debt. The analysis is based on the assumption that interest rate changes by 60 basis points with all other variable held constant. The fluctuation in interest rate has been arrived at on the basis of average interest rate volatility observed in the outstanding loans as on March 31, 2018 and March 31, 2017.

(₹ in Lakhs)

Particulars	**March 31, 2018**	**March 31, 2017**
Effect on Profit if Interest Rate - decrease by 60 basis points	(291.90)	(379.50)
Effect on Profit if Interest Rate - increases by 60 basis points	291.90	379.50

II. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is not exposed to any foreign currency risk as there is no material transaction in foreign currency. Hence, no further disclosure is required under this section.

a. Foreign currency exposure outstanding as at Balance Sheet date: NIL.
b. Un-hedged foreign currency exposures as at Balance Sheet date: NIL.

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

III. Price risk

The company is not exposed to any material price risk as there is no investment in equities outside the company and the company doesn't deal in commodities

b) Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, unsecured loan to subsidiary company and other financial instruments.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

I. Expected credit loss for financial assets

(₹ in Lakhs)

Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL)	As at March 31, 2018			As at March 31, 2017		
	Gross Carrying Amount	Expected credit loss	Carrying amount net of impairment provision	Gross Carrying Amount	Expected credit loss	Carrying amount net of impairment provision
Security deposits	206.46	-	**206.46**	231.46	-	**231.46**
Advance for Bara Bhanghal	6,801.84	3,741.84	**3,060.00**	6,801.84	3,741.84	**3,060.00**
GBI Claim Receivable	47.55	-	**47.55**	42.55	-	**42.55**
Loan to body corporate	796.68	-	**796.68**	936.18	-	**936.18**
Interest accrued on FDR	350.94	-	**350.94**	394.28	-	**394.28**
Upfront premium	3,789.45	-	**3,789.45**	-	-	**-**
Retention Money	29.64	-	**29.64**	40.78	-	**40.78**
Loan to employees	102.89	-	**102.89**	41.09	-	**41.09**
Advances recoverable in cash or kind	55.45	-	**55.45**	23.73	-	**23.73**
Surrender value of key-man insurance policy	21.01	-	**21.01**	21.01	-	**21.01**
Trade Receivables	3,894.59	318.47	**3,576.12**	5,892.90	317.89	**5,575.01**
Others	543.73	-	**543.73**	164.80	-	**164.80**

R & Associates Firm Regn. No. 000561N New Delhi Chartered Accountants

Bhilwara Energy Limited

Financial assets to which loss allowance is measured using lifetime Expected Credit Loss (ECL) as on March 31, 2018

(₹ in Lakhs)

Particular	Not Due	Within 6 Months	6 Months to 1 Year	1 Year to 3 Years	More than 3 Year	Total
Trade Receivables-Gross Carrying amount	77.39	2,271.03	816.37	729.79	0.01	**3,894.59**
Expected Loss Rate	-	-	-	-	-	-
Expected Credit Losses	-	-	-	318.46	0.01	**318.47**
Carrying amount of Trade receivables	77.39	2,271.03	816.37	411.33	-	**3,576.12**

Financial assets to which loss allowance is measured using lifetime Expected Credit Loss (ECL) as on March 31, 2017

(₹ in Lakhs)

Particular	Not Due	Within 6 Months	6 Months to 1 Year	1 Year to 3 Years	More than 3 Year	Total
Trade Receivables-Gross Carrying amount	1,017.70	7,166.91	2,096.01	2,230.24	-	**12,510.86**
Expected Loss Rate	-	-	-	-	-	-
Expected Credit Losses	-	-	-	-	-	-
Carrying amount of Trade receivables	1,017.70	7,166.91	2,096.01	2,230.24	-	**12,510.86**

The company is in the power generation sector. The company on the basis of its past experience and industry practice is confident on realizing all of its dues from its customers which are state government run power utility majors. Hence company has not provided for any discounting on time value of money.

c) Liquidity risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows. To maintain liquidity the company has maintained loan covenants as per the terms decided by the lenders.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

As at March 31, 2018	Less than 3 Months	3 to 6 Months	6 to 12 Months	12 Months to 3 years	More than 3 years	Total
Borrowings	2,171.26	2,111.92	2,584.43	18,414.94	72,727.72	**98,010.28**
Security deposits from employees	0.41	0.46	20.65	3.45	15.08	**40.05**
Amount due to group companies	-	27.46	-	-	-	**27.46**
Creditors for capital expenditure	31.19	-	3.21	429.68	-	**464.08**
Other payable	1.77	3.13	15.58	50.00	1.43	**71.92**
Trade payables	1,071.11	3.38	42.88	672.71	839.46	**2,629.54**
expenses payable	70.15	-	86.57	54.53	2.69	**213.93**
Interest accrued but not due on loan from financial institution	343.38	-	-	-	-	**343.38**
Bank Overdraft	397.92	-	-	-	-	**397.92**
Sundry Creditors	10.94	-	1.21	-	-	**12.15**

As at March 31, 2017	Less than 3 Months	3 to 6 Months	6 to 12 Months	12 Months to 3 years	More than 3 years	Total
Borrowings	832.99	2,326.05	4,576.01	59,305.98	78,869.77	**1,45910.80**
Security deposits from employees	0.18	1.52	5.13	0.84	7.58	**15.25**
Amount due to related party	-	-	-	42.36	-	**42.36**
Amount due to group companies	-	-	5.84	-	-	**5.84**
Creditors for capital expenditure	0.82	-	-	-	-	**0.82**
Other payable	-	-	435.55	46.46	-	**482.01**
Trade payables	1,226.83	30.6	4,159.19	585.39	216.75	**6,218.76**
expenses payable	-	-	51.12	-	-	**51.12**
Interest accrued but not due on loan from financial institution	392.04	-	416.67	-	-	**808.71**
Bank Overdraft	-	-	1,633.39	-	-	**1,633.39**

Doogar & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

49. Capital management

a) Risk management

The Company's objectives when managing capital are to:

(i) Safeguard their ability to continue as a going concern , so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Company makes continuous efforts to optimise its cost of capital as during 2016-17 and 2017-18 company makes arrangements with its lenders to re-structure its borrowings which reduce the cost of capital of borrowing for the company.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net Debt (total borrowings net of cash and cash equivalents)
Divided by
Total equity (as shown in balance sheet, including non- controlling interest)

The gearing ratios were as follows:

(₹ in Lakhs)

Particulars	**March 31, 2018**	**March 31, 2017**
Net Debt	93,134.25	1,33,247.17
Total equity	1,33,430.04	1,23,552.49
Net Debt to Equity Ratio	**0.70**	**1.08**

b) Loan covenants

As per the management, the Company has complied with the financial covenants throughout the reporting period and there have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period.

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

50. Financial instruments- accounting classification and fair value measurement

(₹ in Lakhs)

Particulars	31-Mar-18				31-Mar-17			
	FVPL	FVOCI	Amortised cost	Fare Value	FVPL	FVOCI	Amortised cost	Fare Value
Financial assets								
Security deposits	-	-	206.46	206.46	-	-	233.08	233.08
Advance for bara bhangal project	-	-	3,060.00	3,060.00	-	-	3,060.00	3,060.00
Bank Balance more than 12 Month Maturity	-	-	350.94	350.94	-	-	754.68	754.68
GBI Claim receivable	-	-	47.55	47.55	-	-	416.22	416.22
Upfront premium	-	-	3,789.45	3,789.45	-	-	-	-
Retention Money	-	-	29.64	-	-	-	-	-
Interest accrued on deposit and other	-	-	-	-	-	-	474.99	474.99
Trade receivables	-	-	3,576.12	3,576.12	-	-	12,192.97	12,192.97
Loan to body corporate	-	-	796.68	796.68	-	-	936.18	936.18
Loan to Employees	-	-	102.89	102.89	-	-	41.09	41.09
Advances recoverable in cash or kind	-	-	55.45	-	-	-	-	-
Surrender value of key-man insurance policy	-	-	21.01	-	-	-	-	-
Others	-	-	543.73	543.73	-	-	224.45	224.45
Total Financial Assets	-	-	**12,579.92**	**12,473.82**	-	-	**18,333.66**	**18,333.66**
Financial Liabilities								
Borrowings	-	-	98,010.28	98,010.47	-	-	1,45,910.80	1,45,910.80
Amount due to group companies	-	-	27.46	27.46	-	-	-	-
Bank overdraft	-	-	397.92	397.92	-	-	1,633.39	1,633.39
Trade Payables	-	-	2,629.54	2,629.54	-	-	6,218.76	6,218.76
Interest accrued but not due	-	-	343.38	343.38	-	-	1,690.60	1,690.60
Deposits	-	-	10.76	10.76	-	-	25.53	25.53
Other current financial liabilities	-	-	984.54	984.54	-	-	1,167.57	1,167.57
Total Financial Liabilities	-	-	**1,02,403.88**	**1,02,404.07**	-	-	**1,56,646.65**	**1,56,646.65**

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

I. Fair value hierarchy

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates evaluated by the Company based on the parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liability

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Particulars	Carrying ₹ in Lakhs	Fair value		
	As at March 31, 2018	Level 1	Level 2	Level 3
Financial liabilities at amortised cost:				
Borrowings	98,018.90	-	98,010.28	8.62
Others	3,673.55	-	3,149.26	524.29
Total	**1,01,692.45**	**-**	**1,01,159.54**	**532.91**
Financial assets at amortised cost:				
Security deposits	21.38	-	21.18	0.20
Loan to employee	4.58	-	-	4.58
Loan	-	-	-	-
Interest accrued on FDR	32.64	-	-	32.64
Balances with maturity more than 12 months	985.04	-	278.16	706.88
Others	36,491.54	-	35,889.61	601.93
Total	**37,535.18**	**-**	**36,188.95**	**1,346.23**

Particulars	Carrying (₹ in Lakhs)	Fair value		
	As at March 31, 2017	Level 1	Level 2	Level 3
Financial liabilities at amortised cost:				
Borrowings	1,45,910.80	-	1,45,910.80	-
Total	**1,45,910.80**	**-**	**1,45,910.80**	**-**
Financial assets at amortised cost:				
Security deposits	227.38	-	227.38	-
Loan to employee	12.34	-	12.34	-
Balances with maturity more than 12 months	754.68	-	754.68	-
Others	3,217.18	-	3,217.18	-
Total	**4,211.58**	**-**	**4,211.58**	**-**

O.P. DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

II. Assumptions and valuation technique used to determine fair value

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

i. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii. Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

51. Deferred tax

In case of holding company

In accordance with Ind AS 12 "Income Taxes" Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In view of lack of reasonable certainty of sufficient future taxable income against which net deferred tax asset can be realised, the Company has not recognized deferred tax asset to the extent of ₹6,549.53 Lakhs (previous year ₹5,804.46 Lakhs) as on March 31, 2018.

Particulars	As on 31 March, 2018	As on 31 March, 2017
Tax effects constituting deferred tax assets		
Business loss brought/carried forward	4,361.36	4,361.36
Unabsorbed depreciation brought/carried forward	2,733.49	2,276.81
Provision for Leave encashment	6.21	1.42
Provision for Gratuity	3.50	11.34
Total deferred tax assets (a)	**7,104.56**	**6,650.94**
Tax effects constituting deferred tax liabilities		
Difference between tax base and book base of Property, plant and Equipment	(555.03)	(846.48)
Total deferred tax liabilities (b)	**(555.03)**	**(846.48)**
Net Deferred Tax Asset (a+b)	6,549.53	5,804.46
Less: Valuation Allowance	**(6,549.53)**	**(5,804.46)**
Net Deferred tax assets	-	-

In case of MPCL

During the current year, the Company has reclassified below mentioned account balances related to previous year March 31, 2017. The detail of the same is as under:

MAT credit entitlement of ₹332.71 Lakhs has been reclassified to "Deferred Tax asset". In previous year, it was classified under the head "Other Assets-Non Current".

Loan to employees of ₹21.72 Lakhs has been bifurcated into current and non- current based upon loan recovery schedule. Earlier it was reflecting as current only.

Recovery of state transmission utility (STU) charges amounting to ₹54.25 Lakhs included in Revenue from operations in the previous year. In current year, it has been reduced from Open Access charges under "Expenses".

Dooga & Associates Chartered Accountants Firm Regn. No. 000561N New Delhi

Bhilwara Energy Limited

In case of ADHPL

During the current year, the Company has done below mentioned reclassifications related to March 31, 2017 balances. The detail of the same is as below:

MAT credit entitlement balance of ₹204.42 Lakhs has been reclassified to "Deferred tax assets". In previous year, it was classified under the head "Other Assets-Non Current".

Loans to employee amounting to ₹12.34 Lakhs has been bifurcated into current and non-current based upon loan recovery schedule. Earlier it was reflecting as current only.

Advance received for tower re-routing work amounting to ₹300.56 Lakhs has been reclassified to "other current liabilities". Earlier the same was classified under head "Trade Payables"

In case of BGWPL

In accordance with Ind AS 12 "Income Taxes" Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In view of lack of reasonable certainty of sufficient future taxable income against which net deferred tax asset can be realised, the Company has not recognized deferred tax asset to the extent of ₹3,405.77 Lakhs (previous year ₹669.04 Lakhs) as on March 31, 2018.

Particulars	**As on 31 March, 2018**	**As on 31 March, 2017**
Tax effects constituting deferred tax assets		
Business loss brought/carried forward	695.94	555.71
Unabsorbed depreciation brought/carried forward	1,320.15	440.06
Provision for Leave encashment	1.74	-
Provision for Gratuity	0.99	-
Difference between tax base and book base of Property, plant and Equipment	1,431.21	-
Total deferred tax assets (a)	**3,450.04**	**995.77**
Tax effects constituting deferred tax liabilities		
Difference between tax base and book base of Property, plant and Equipment	-	(278.45)
Upfront fee	(44.27)	(48.29)
Total deferred tax liabilities (b)	**(44.27)**	**(326.74)**
Net Deferred Tax Asset (a+b)	**3,405.77**	**669.04**
Less: Valuation Allowance	**(3,405.77)**	**(669.04)**
Net Deferred tax assets	-	-

DOOGAR & ASSOCIATES Firm Regn. No. 000561N New Delhi Chartered Accountants

BHILWARA ENERGY LIMITED

52. Interest in other entities:

The Group's subsidiaries as at 31 March, 2018 are set out below:

(a) Subsidiaries

Name of subsidiary/step down subsidiaries	Legend	Country of Incorporation	Proportion of ownership as on 31st March 2018 (%)	Proportion of ownership as on 31st March 2017 (%)	Principal Activity
Malana Power Company Limited	MPCL	India	51.00%	51.00%	Power generation
AD Hydro Power Limited (ADHPL) (88% subsidiary of MCPL)	ADHPL	India	44.88%	44.88%	Power generation
BG Wind Power Limited	BGWPL	India	100.00%	100.00%	Power generation
Indo Canadian Consultancy Services Limited	ICCSL	India	75.50%	75.50%	Consultancy Services
NJC Hydro Power Limited	NJCHPL	India	100.00%	100.00%	Power generation
Chango Yangthang Hydro Power Limited	CYHPL	India	100.00%	100.00%	Power generation
Balephi Jalvidhyut Company Limited, Nepal	BJCL	Nepal	95.86%	95.86%	Power generation
Bhilwara Green Energy Limited **(Date of Cessation 25-10-2017)**	BGEL	India	-	100.00%	Power generation
LNJ Power Ventures Ltd. **(Date of Cessation 26-10-2017)**	LNJPVL	India	-	74.00%	Power generation
Green Ventures Private Limited, Nepal **(Date of Cessation 14-12-2017)**	GVPL	Nepal	-	84.67%	Power generation

(b) Non-Controlling Interest (NCI)

Below is the summarized financial information for each subsidiary that has non-controlling interest that is material to the group. The amounts disclosed for each subsidiary are before the inter-company eliminations.

Firm Regn. No. 000561N
DOOGAR & ASSOCIATES
Chartered Accountants
New Delhi

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Summarized Balance Sheet	Malana Power Company Limited		Indo Canadian Consultancy Services Limited		Balephi Jalvidhyut Company Limited, Nepal	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current Assets	33,770.60	23,672.67	579.31	512.62	139.57	64.91
Current liabilities	8,421.08	7,650.52	826.08	741.28	202.56	106.63
Net current assets	**25,349.52**	**16,022.15**	**(246.77)**	**(228.66)**	**(62.99)**	**(41.72)**
Non-current Assets	1,61,135.89	1,65,272.37	385.15	359.64	1,838.68	1,817.42
Non-current liabilities	77,499.30	85,467.82	78.07	89.61	-	-
Net Non-current assets	**83,636.59**	**79,804.55**	**307.08**	**270.03**	**1,838.68**	**1,817.42**
Net Assets	**1,08,986.11**	**95,826.70**	**60.31**	**41.37**	**1,775.69**	**1,775.70**
Accumulated NCI	**53,403.19**	**46,955.08**	**14.79**	**10.15**	**73.51**	**73.51**

Summarized statement of Profit and loss	Malana Power Company Limited		Indo Canadian Consultancy Services Limited		Balephi Jalvidhyut Company Limited, Nepal	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Revenue	29,131.56	28,126.80	549.16	642.51	-	-
Profit for the year	12,161.74	6,736.12	(4.79)	(27.92)	-	-
Other comprehensive income	(6.83)	(8.56)	23.73	1.27	-	-
Total Comprehensive Income	**12,154.91**	**6,727.56**	**18.94**	**(26.65)**	-	-
Profit allocated to NCI	**5,971.36**	**3,312.05**	**4.65**	**(6.54)**	-	-

Summarized cash flow	Malana Power Company Limited		Indo Canadian Consultancy Services Limited		Balephi Jalvidhyut Group Limited, Nepal	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Cash flow from operating activities	23,183.07	21,117.90	7.22	(38.31)	174.93	95.13
Cash flow from investing activities	(19,040.27)	3,924.43	(16.79)	10.86	-	-
Cash flow from financing activities	(14,153.92)	(13,969.69)	8.19	35.33	(106.53)	(86.89)
Net increase/(decrease) in cash and cash equivalents	**(10,011.12)**	**11,072.64**	**(1.38)**	**7.88**	**68.40**	**8.24**

DOOGAR & ASSOCIATES Chartered Accountants Firm Regn. No. 000561N New Delhi

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited
CIN: U31101DL2006PLC148862
Notes to Consolidated Financial Statements for the year ended March 31, 2018

53. Additional information required under Schedule III of the Act, of the enterprises consolidated as subsidiary/associate/joint venture:

Name of the entity	Net Assets		Share in profit or loss		Share in OCI		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	(₹ in Lakhs)	% of Consolidated profit or loss	(₹ in Lakhs)	% of Consolidated Comprehensive Income	(₹ in Lakhs)	% of Consolidated Comprehensive Income	(₹ in Lakhs)
Parent								
Bhilwara Energy Limited								
31-03-2018	51.32%	43,180.27	-2.13%	(155.01)	7.43%	1.37	-2.11%	(153.64)
31-03-2017	35.07%	43,333.91	-38.34%	(1,815.94)	50.46%	(7.79)	-38.63%	(1,823.73)
Subsidiaries								
Indian:								
NJC Hydro Power Limited								
31-03-2018	11.79%	9,919.53	-0.02%	(1.80)	0.00%	-	-0.02%	(1.80)
31-03-2017	8.03%	9,921.33	-0.04%	(1.73)	0.00%	-	-0.04%	(1.73)
BG Wind Power Limited								
31-03-2018	0.65%	547.67	-27.16%	(1,975.99)	0.00%	-	-27.10%	(1,975.99)
31-03-2017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Bhilwara Green Energy Limited								
Date of cessation 25-10-2017								
31-03-2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31-03-2017	5.36%	6,562.09	4.08%	193.20	-0.83%	0.13	4.10%	193.33
Malana Power Company Limited								
31-03-2018	129.54%	1,08,986.11	167.19%	12,161.74	-37.02%	(6.83)	166.67%	12,154.91
31-03-2017	78.37%	96,831.19	142.22%	6,736.12	55.43%	(8.56)	142.50%	6,727.56
Indo Canadian Consultancy Services Limited								
31-03-2018	0.07%	60.31	-0.07%	(4.79)	128.62%	23.73	0.26%	18.94
31-03-2017	0.03%	41.37	-0.59%	(27.92)	-8.23%	1.27	-0.56%	(26.65)
Chango Yangthang Hydro Power Limited								
31-03-2018	3.82%	3,212.73	-37.80%	(2,749.88)	0.98%	0.18	-37.70%	(2,749.70)
31-03-2017	4.83%	5,962.43	0.02%	0.83	0.00%	-	0.02%	0.83
LNJ Power Ventures Limited								
Date of cessation 26-10-2017								
31-03-2018	0.00%		0.00%		0.00%		0.00%	-
31-03-2017	0.15%	188.41	-5.66%	(268.01)	3.17%	(0.49)	-5.69%	(268.50)
Foreign								
Balephi Jalvidhyut Company Limited, Nepal								
31-03-2018	2.11%	1,775.70	0.00%	-	0.00%	-	0.00%	-
31-03-2017	1.44%	1,775.70	0.00%	-	0.00%	-	0.00%	-
Green Ventures Private Limited, Nepal								
Date of cessation 14-12-2017								
31-03-2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31-03-2017	5.34%	6,593.13	0.00%	-	0.00%	-	0.00%	-
Elimination adjustments								
31-03-2018	-99.30%	(83,547.83)	0.00%	-	0.00%	-	0.00%	-
31-03-2017	-38.57%	(47,658.67)	-1.69%	(80.07)	0.00%	-	-1.70%	(80.07)
Total								
31-03-2018	100.00%	84,134.49	100.00%	7,274.27	100.00%	18.45	100.00%	7,292.72
31-03-2017	100.00%	1,23,552.51	100.00%	4,736.44	100.00%	(15.45)	100.00%	4,721.00
Non-Controlling Interest in all the subsidiaries								
31-03-2018		**55,909.07**		**5,973.62**		**2.39**		**5,976.01**
31-03-2017		**51,070.66**		**3,232.80**		**(3.61)**		**3,229.19**

54. Pre- operating expenses:

<u>In case of BJCL, Nepal</u>

During the financial year, interest income of ₹0.37 Lakhs is offset against pre-operating expenses. During the 2016-17, interest income of ₹0.06 Lakhs is offset against pre-operating expenses.

55. Previous year figures have been regroup/reclassified whenever considered necessary.

As per our report of even date
For Doogar & Associates
Chartered Accountants
Firm Regn. No: 000561N

Mukesh Goyal
Partner
Membership No: 081810

Place: **Noida (U.P.)**
Date : **3rd May 2018**

For and on behalf of Board of Directors of
Bhilwara Energy Limited

Ravi Jhunjhunwala
Chairman
DIN: 00060972

Riju Jhunjhunwala
Managing Director
DIN: 00061060

Krishna Prasad
Chief Financial Officer

Ravi Gupta
Company Secretary
M. No. F5731