S R B C & CO LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Udupi Power Corporation Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of Udupi Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 Ind AS financial statements

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

Auditor's Responsibility

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

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

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Basis for Qualified Opinion

We draw attention Note 35 to the Ind AS financial statements regarding ongoing balance reconciliation exercise with customers of the Company, with respect to trade receivables amounting to ₹ 110.11 crores. Based on assessment by the management, the said amount will be fully recovered upon conclusion of the ongoing reconciliation exercise.

Since the balances are under reconciliation / approval process, and in the absence of balance confirmation, adjustments, if any, to the carrying amounts of such trade receivables can be determined only upon conclusion of aforementioned exercise / approval by the customers and accordingly, we are unable to comment on the recoverability of the same.

Qualified Opinion

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

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed a qualified opinion on those statements on May 27, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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;

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(d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of written representations received from the directors as on March 31, 2018, and 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;

(g) The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.

(h) 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 dated May 2, 2018 in "Annexure 2" to this report;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;

ii. There were no provisions required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Raj Agrawal
Partner
Membership Number: 82028
Place of Signature: Ahmedabad
Date: May 2, 2018

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Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2018

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

(b) The Company has regular programme of physical verification of its fixed assets through which all the fixed assets are verified in a phased manner, over a period of three years. In our opinion, the programme of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in Property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to two companies covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) As per the schedule of repayment of principal and interest stipulated for the loans granted as mentioned in clause (a) above, there were no instalment of loan and interest due during the year.

(c) Read with our comments in clause (b), above, there are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 are applicable and provisions of section 186 of the Act are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the generation of power and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, goods and services tax, value added tax, cess and other material statutory dues applicable to it. The provision relating to excise duty are not applicable to the Company.

CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, value added tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company , the dues outstanding of customs duty on account of any dispute, are as follows:

Name of the statute	Nature of Tax	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty	261.10	2012-13	Customs, Excise Service Tax Appellate Tribunal

(viii) According to the information and explanations given by the management, the Company has not defaulted in the repayment of loans or borrowings to any banks and financial institutions existing as at the balance sheet date. The Company did not have any loans or borrowing in respect of government or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the monies raised by the Company by way of term loans were applied for the purposes for which those were raised. The Company has not raised any monies by way of initial public offer / further public offer during the year.

(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, during the year the Company has not paid any managerial remuneration to its directors, including managing director and whole time directors, and its manager and hence reporting under clause 3(xi) of the Order is not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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(xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Raj Agrawal
Partner
Membership Number: 82028
Place of Signature: Ahmedabad
Date: May 2, 2018

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Annexure 2 to the Independent Auditor's Report of Even Date on the Ind AS Financial Statements of Udupi Power Corporation Limited

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

We have audited the internal financial controls over financial reporting of Udupi Power Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Companies Act, 2013.

Auditor's 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 Companies Act, 2013, 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.

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 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 qualified audit opinion on the internal financial controls system over financial reporting.

S.R.B.C & CO LLP * CHARTERED ACCOUNTANTS *

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31, 2018 relating to inadequate internal financial controls over financial reporting in respect of assessment of recoverability of carrying amount of certain trade receivables under reconciliation amounting to ₹ 110.11 crores. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 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.

S.R.B.C & CO LLP * CHARTERED ACCOUNTANTS *

Explanatory paragraph

We also have audited, 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, the Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and our report dated May 2, 2018, 2018 expressed a qualified opinion.

For S R B C & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Raj Agrawal
Partner
Membership Number: 82028
Place of Signature:
Date: May 2, 2018

S.R.B.C & CO LLP * CHARTERED ACCOUNTANTS *

UDUPI POWER CORPORATION LIMITED
Balance Sheet as at 31st March, 2018

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All amounts are in ₹ Crores, unless otherwise stated

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	4.1	4,358.77	4,624.14
(b) Capital Work-In-Progress	4.1	24.14	16.91
(c) Intangible Assets	4.2	1.49	0.71
(d) Financial Assets			
(i) Loans	5	551.37	680.36
(ii) Other Financial Assets	6	63.00	44.45
(e) Other Non-current Assets	7	278.79	314.20
Total Non-current Assets		**5,277.56**	**5,680.77**
Current Assets			
(a) Inventories	8	230.86	311.78
(b) Financial Assets			
(i) Trade Receivables	9	1,104.64	1,505.03
(ii) Cash and Cash Equivalents	10	13.25	19.09
(iii) Bank balances other than (ii) above	11	108.75	123.75
(iv) Loans	12	125.39	0.14
(v) Other Financial Assets	13	35.58	9.78
(c) Other Current Assets	14	15.26	10.45
Total Current Assets		**1,633.73**	**1,980.02**
Total Assets		**6,911.29**	**7,660.79**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	1,934.20	1,934.20
(b) Other Equity	16	(181.79)	(206.91)
Total Equity		**1,752.41**	**1,727.29**
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	3,194.82	3,416.35
(b) Provisions	18	5.24	4.01
(c) Deferred Tax Liabilities (net)	19	-	-
Total Non-current Liabilities		**3,200.06**	**3,420.36**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,157.85	1,360.50
(ii) Trade Payables	21	555.07	860.55
(iii) Other Financial Liabilities	22	236.26	279.05
(b) Other Current Liabilities	23	8.79	3.32
(c) Provisions	24	0.85	0.91
(d) Current tax liabilities (net)	25	-	8.81
Total Current Liabilities		**1,958.82**	**2,513.14**
Total Liabilities		**5,158.88**	**5,933.50**
Total Equity and Liabilities		**6,911.29**	**7,660.79**

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per RAJ AGRAWAL
PARTNER
Membership No. 82028

Place : Ahmedabad
Date : 2nd May 2018

For and on behalf of the Board of Directors

JAYADEB NANDA
DIRECTOR
DIN : 06578925

KANDARP PATEL
WHOLE-TIME DIRECTOR
DIN : 02947643

VIRENDRA KASLIWAL
CHIEF FINANCIAL OFFICER

Place : Ahmedabad
Date : 2nd May 2018

UDUPI POWER CORPORATION LIMITED

Statement of Profit and Loss for the year ended 31st March, 2018

All amounts are in ₹ Crores, unless otherwise stated

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Particulars	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from Operations	26	2,828.87	3,203.59
Other Income	27	113.43	117.20
Total Income		**2,942.30**	**3,320.79**
Expenses			
Fuel Cost		1,811.03	1,961.36
Purchase of Stock in Trade		40.55	-
Employee Benefits Expense	28	48.73	43.55
Finance Costs	29	539.26	627.40
Depreciation and Amortisation Expense	4.1,4.2	333.23	327.41
Other Expenses	30	137.89	134.74
Total Expenses		**2,910.69**	**3,094.45**
Profit before exceptional items and tax		**31.61**	**226.33**
Exceptional Items	32	-	168.75
Profit before tax		**31.61**	**57.59**
Tax Expense:			
Current Tax (Including excess provision for earlier year ₹ 0.03 Crores (Previous year ₹ Nil))	31	6.88	12.41
Deferred Tax	19	-	-
Total Tax Expense		**6.88**	**12.41**
Profit for the year	**(A)**	**24.73**	**45.17**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans, net of tax	43 (B)	0.39	0.08
Total Comprehensive Income for the year	**Total (A+B)**	**25.12**	**45.26**
Earnings Per Equity Share (EPS)			
Basic and Diluted (Face Value ₹ 10 Per Share) (₹)	41	0.13	0.23

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per RAJ AGRAWAL
PARTNER
Membership No. 82028

Place : Ahmedabad
Date : 2nd May 2018

For and on behalf of the Board of Directors

JAYADEB NANDA
DIRECTOR
DIN : 06578925

KANDARP PATEL
WHOLE-TIME DIRECTOR
DIN : 02947643

VIRENDRA KASLIWAL
CHIEF FINANCIAL OFFICER

Place : Ahmedabad
Date : 2nd May 2018

UDUPI POWER CORPORATION LIMITED
Statement of changes in equity for the year ended 31st March, 2018

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All amounts are in ₹ Crores, unless otherwise stated

A. Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at 1st April, 2016	**211,050,100**	**211.05**
Changes in equity share capital during the year :		
Shares issued on conversion of Cumulative Compulsorily Convertible Preference Shares (Refer note 15c)	1,723,152,448	**1,723.15**
Balance as at 31st March, 2017	**1,934,202,548**	**1,934.20**
Changes in equity share capital during the year :		
Issue of Shares	-	-
Balance as at 31st March, 2018	**1,934,202,548**	**1,934.20**

B. Other Equity

Particulars	Cumulative Compulsorily Convertible Preference Shares classified as Equity	Reserves and Surplus	Total
		Retained Earnings	
Balance as at 1st April, 2016	**1,723.15**	**(252.17)**	**1,470.98**
Profit for the year	-	45.18	45.18
Remeasurement of defined benefit plans, net of tax	-	0.08	0.08
Total Comprehensive Income for the year	-	**45.26**	**45.26**
Conversion of Cumulative Compulsorily Convertible Preference Shares (Refer note 15c)	(1,723.15)	-	(1,723.15)
Balance as at 31st March, 2017	-	**(206.91)**	**(206.91)**
Profit for the year	-	24.73	24.73
Remeasurement of defined benefit plans, net of tax	-	0.39	0.39
Total Comprehensive Income for the year	-	**25.12**	**25.12**
Balance as at 31st March, 2018	-	**(181.79)**	**(181.79)**

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per RAJ AGRAWAL
PARTNER
Membership No. 82028

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place : Ahmedabad
Date : 2nd May 2018

For and on behalf of the Board of Directors

JAYADEB NANDA
DIRECTOR
DIN : 06578925

KANDARP PATEL
WHOLE-TIME DIRECTOR
DIN : 02947643

VIRENDRA KASLIWAL
CHIEF FINANCIAL OFFICER

Place : Ahmedabad
Date : 2nd May 2018

UDUPI POWER CORPORATION LIMITED

Statement of Cash Flow for the year ended 31st March, 2018

All amounts are in ₹ Crores, unless otherwise stated

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Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(A) Cash flow from operating activities		
Profit before tax	31.61	57.59
Adjustment for:		
Depreciation and Amortisation Expense	333.23	327.41
Unrealised Loss / (Gain) on Foreign Exchange Fluctuation	51.58	(32.77)
Income from Mutual Funds	(0.38)	-
Loss on Sale / Retirement of Property Plant & Equipment	17.26	0.05
Bad Debts written-off	-	0.04
Finance Costs	539.26	627.40
Interest Income	(102.00)	(76.15)
Liabilities no longer required written-back	(0.40)	(0.15)
Exceptional Items (Refer note 32)	-	168.75
Operating profit before working capital changes	**870.16**	**1,072.17**
Changes in Working Capital:		
Decrease / (Increase) in Inventories	80.92	(134.21)
Decrease / (Increase) in Trade Receivables	400.39	(491.53)
(Increase) in Other Assets	(142.14)	(4.02)
(Decrease) / Increase in Trade Payables	(330.48)	590.74
(Decrease) / Increase in Other Liabilities and Provisions	(1.78)	0.16
	6.91	**(38.86)**
Cash generated from operations	**877.07**	**1,033.31**
Less : Tax (Paid)	(5.55)	(4.00)
Net cash generated from operating activities (A)	**871.52**	**1,029.31**
(B) Cash flow from investing activities		
Capital expenditure on Property, Plant and Equipment, including capital advances and capital work-in-progress and on intangible	(57.67)	(107.33)
Proceeds from Sale of Property, Plant and Equipment	0.36	-
Payment towards Loans given	(678.61)	(115.37)
Proceeds from Loans received back	808.29	266.69
Bank deposits / margin money withdrawn / (Placed)	4.48	(124.96)
Dividend Income Received	0.38	-
Interest Received	77.73	6.64
Net cash generated from / (used in) investing activities (B)	**154.96**	**(74.33)**
(C) Cash flow from financing activities		
Proceeds from Non-current Borrowings	-	149.09
Repayment of Non-current Borrowings	(223.37)	(409.75)
Repayment of Current Borrowings (Net)	(228.61)	(120.47)
Finance Costs Paid	(580.34)	(606.14)
Net cash (used in) financing activities (C)	**(1,032.32)**	**(987.27)**
Net (decrease) in Cash and Cash Equivalents (A)+(B)+(C)	(5.84)	(32.29)
Cash and Cash Equivalents at the beginning of the year	19.09	51.38
Cash and Cash Equivalents at the end of the year	**13.25**	**19.09**

Notes to Cash Flow Statement :

Cash and Cash Equivalents as per above comprise of the following :

Cash and Cash Equivalents (Refer note 10)	13.25	19.09
Balances as per statement of cash flows	**13.25**	**19.09**

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Udupi Power Corporation Limited *

UDUPI POWER CORPORATION LIMITED

Statement of Cash Flow for the year ended 31st March, 2018

All amounts are in ₹ Crores, unless otherwise stated

1. Non cash items :

i) During the previous year, Cumulative Compulsorily Convertible Preference Shares of ₹ 1,723.15 Crores have been converted into equivalent number of equity shares.

ii) During the year, Interest on Inter Corporate Deposit ("ICD") given to a related party amounting ₹ 0.69 Crores (Previous Year ₹ 67.55 Crores) has been added to the ICD balance as on the reporting date.

iii) During the year, the Company has refinanced long-term borrowings of ₹ Nil (Previous Year ₹ 117.39 Crores).

2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.

3. As per the recent amendment by MCA in "Ind AS 7 Statement of Cash flows : Disclosure initiative" effective from 1st April, 2017, disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

(₹ in Crores)

Particulars	As at 1st April, 2017	Net Cash Flows	Changes in fair values	Foreign exchange management	As at 31st March, 2018
Non-current Borrowings	3,416.35	(223.37)	1.84	-	3,194.82
Current Borrowings	1,360.50	(228.61)	-	25.96	1,157.85
Derivatives	40.45	(40.45)	(2.01)	-	(2.01)
Interest Accrued	2.67	2.14	(1.84)	-	2.97
Total	**4,819.97**	**(490.29)**	**(2.01)**	**25.96**	**4,353.63**

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per RAJ AGRAWAL
PARTNER
Membership No. 82028

Place : Ahmedabad
Date : 2nd May, 2018

For and on behalf of the Board of Directors

JAYADEB NANDA
DIRECTOR
DIN : 06578925

KANDARP PATEL
WHOLE-TIME DIRECTOR
DIN : 02947643

VIRENDRA KASLIWAL
CHIEF FINANCIAL OFFICER

Place : Ahmedabad
Date : 2nd May, 2018

1 Corporate information

The financial statements comprise financial statements of Udupi Power Corporation Limited (the "Company, UPCL") for the year ended 31st March 2018. The Company is a public Company domiciled in India and incorporated under the provisions of Companies Act, applicable in India, having registered office of the Company at First Floor, Lotus Tower, No.34, Devraja Urs Road,Race course, Bangalore, Karnataka - 560 001, India. The Company has an installed and fully commissioned capacity of 1200 MW thermal power at village Yellure, Udupi, Karnataka.

The Company is a subsidiary (w.e.f. 20th April, 2015) of Adani Power Limited("Parent Company"), which together with its other subsidiaries (together referred to as "the Group") currently has multiple power projects located at various location with a combined installed and fully commissioned capacity of 10480 MW. The Group intends to sell the power generated from these projects under a combination of long term Power Purchase Agreements (PPAs) and on merchant basis. The Company gets synergetic benefit of the integrated value chain of Adani group.

The financial statements were authorised for issue in accordance with a resolution of the directors on 2nd May, 2018.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with section 133 of Companies Act, 2013, on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

In addition, the Financial Statements are presented in INR and all values are rounded to nearest Crores except when other wise indicated.

2.2 Summary of Significant accounting policies

a Property, plant and equipment

Property, plant and equipment are stated at original cost grossed up with the amount of tax / duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised alongwith respective asset.

Depreciation is recognised based on the cost of assets (other than freehold land and properties under construction) at the rate as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of the Tariff) Regulations, 2014 in accordance with Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

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

b Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. The Company has intangible assets in the nature of Computer software having useful life of 5 years.

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

c Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

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

e Financial assets

Initial recognition and measurement

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis i.e. the date that the Company commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost using effective interest method (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest.

For the impairment policy on financial assets measured at amortised cost, refer note t (ii)

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

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value. The fair value movement or remeasurement are recognised in other comprehensive income (OCI).

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or when it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received / receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and finacial liabilities designated upon intial recognition as at FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Fair values are determined in the manner described in note l.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in profit or loss.

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

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate method.Trade credits include Buyer's credit.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

g Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivatives financial instruments are disclosed in note 36.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

CHARTERED ACCOUNTANTS

Udupi Power ... Limited

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.These embedded derivatives are measured at fair value with changes recognised in profit and loss.

h Inventories

Inventories are stated at the lower of cost or net realisable value. Costs include all non-refundable duties and all charges incurred in bringing the goods to their present location and condition. Cost is determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of power generation and costs necessary to make the sale.

i Cash and cash equivalents

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of 3 months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of bank balances which are unrestricted for withdrawal and usage.

j Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non - current.

k Foreign currency Translations

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e 31st March 2016 as per the previous GAAP.

l Fair Value measurement

The Company measures financial instruments, such as, derivative 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, 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 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

External valuers are involved for valuation of significant assets,such as unquoted financial assets and financial liabilities and derivatives.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

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

m Revenue recognition

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

The specific recognition criteria described below must also be met before revenue is recognised.

i) Revenue from Power Supply

Revenue from Power Supply is recognised on the basis of sales to State Distribution Companies and also on the basis of orders of the competent authorities in terms of the Power Purchase Agreements (PPA) or on the basis of sales under merchant trading based on the contracted rates, as the case may be. Such Revenue is measured at the value of the consideration received or receivable, net of trade / cash discounts if any.

ii) Sale of other goods

Revenue from the sale of other goods (Including coal) is recognised as per the contracted price when the significant risks and rewards have been transferred to the buyer. Such revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company.

iii) Interest income is recognised on time proportion basis at the effective interest rate ("EIR") applicable.

iv) Dividend income from investments is recognised when the Company's right to receive payment has been established which is generally when shareholder approve the dividend, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

CHARTERED ACCOUNTANTS

v) Delayed payment charges and interest on delayed payment for power supply are recognized based on reasonable certainty to expect ultimate collection.

n Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of the asset, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing cost consist of interest and other costs that an entity incurrs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

o Employee benefits

i) Defined benefit plans: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Remeasurements, comprising of actuarial gains and losses, the effect of changes to the asset ceiling (excluding amounts included in net interest or the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with corresponding debit or credit to retained earnings through OCI in the period in which it occurs. Remeasurements are not classified to profit and loss in subsequent periods. Past service cost is recognised in profit and loss in the period of a plan amendment.

ii) Defined contribution plan: Retirement Benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the statement of profit and loss for the period in which the contributions to the respective funds accrue as per relevant statues.

iii) Compensated Absences: Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at reporting date.

iv) Short term employee benefits: These are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

p 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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are intially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a financelease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

Rental expense from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under opertaing leases are recognised as an expense in the period in which they are incurred.

q Taxes on Income

Tax on Income comprises current tax and deferred tax. These are recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. 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.

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Udupi Power Co. Limited

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date. Deferred tax liabilities are generally recognised for all taxable temporary differences except when the deferred tax liability arises at the time of transaction that affects neither the accounting profit or loss nor taxable profit or loss. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carry forward of unused tax credit and unused tax losses can be utilised, except when the deferred tax asset relating to temporary differences arising at the time of transaction that affects neither the accounting profit or loss nor the taxable profit or loss. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is 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 asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

r **Earnings per share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

s **Provisions, Contingent Liabilities and Contingent Assets**

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. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position. (Refer note 33)

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

t **Impairment**

i) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

The Company bases its impairment calculation on detailed budget and forecast calculations, which are prepared separately for each of the Company's cash-generating unit to which the individual assets are allocated. These budget and forecast calculations generally cover a period. 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 budget / forecasts, the Company estimates cash flow projections based on estimated growth rate.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ii) Impairment of Financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

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The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

3.1 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Key Sources of estimation uncertainty:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value measurement of financial Instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 39.

ii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in note 43.

iii) Impairment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the Power Plants. Further, the cash flow projections are based on estimates and assumptions relating to tariff, operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management. (Refer note 34).

iv) Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing during the tax holiday period under Section 80-IA of the Income Tax Act, 1961. Deferred tax assets is recognised to the extent of the corresponding deferred tax liability.(Refer note 19.1)

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

All amounts are in ₹ Crores, unless otherwise stated

4.1 Property, Plant and Equipment and Capital Work-In-Progress

Description of Assets	Tangible Assets: Land - Freehold	Land under finance lease - (Refer note (a) and (b) below)	Buildings	Plant & Machineries	Furniture and Fixtures	Computer Hardware	Office Equipment	Vehicles	Total	Capital Work-In-Progress
I. Cost										
Balance as at 1st April,2016	**0.35**	**65.02**	**156.11**	**4,966.24**	**0.69**	**1.29**	**1.42**	**0.32**	**5,191.44**	**18.42**
Additions	-	11.62	23.85	44.45	1.25	1.37	1.23	1.84	85.61	84.78
Disposals / Transfers	-	-	-	-	-	0.01	-	0.22	0.23	86.29
Balance as at 31st March,2017	**0.35**	**76.64**	**179.96**	**5,010.69**	**1.94**	**2.65**	**2.65**	**1.94**	**5,276.82**	**16.91**
Additions	-	46.23	7.99	28.00	0.39	2.38	0.20	-	85.19	47.37
Disposals / Transfers	-	-	-	20.81	-	-	0.05	0.08	20.94	40.14
Balance as at 31st March,2018	**0.35**	**122.87**	**187.95**	**5,017.88**	**2.33**	**5.03**	**2.80**	**1.86**	**5,341.07**	**24.14**
II. Accumulated depreciation and impairment										
Balance as at 1st April,2016	-	-	**5.60**	**319.60**	**0.05**	**0.16**	**0.08**	**0.05**	**325.54**	
Depreciation expense	-	-	5.76	320.80	0.14	0.32	0.15	0.13	327.30	
Disposals / Transfers	-	-	-	-	-	0.01	-	0.15	0.16	
Balance as at 31st March,2017	-	-	**11.36**	**640.40**	**0.19**	**0.47**	**0.23**	**0.03**	**652.68**	
Depreciation expense	-	0.52	6.54	324.77	0.14	0.60	0.18	0.19	332.94	
Disposals / Transfers	-	-	-	3.27	-	-	0.01	0.04	3.32	
Balance as at 31st March,2018	-	**0.52**	**17.90**	**961.90**	**0.33**	**1.07**	**0.40**	**0.18**	**982.30**	

Carrying amount of Property, Plant and Equipment and Capital Work-In-Progress

Description of Assets	Tangible Assets: Land - Freehold	Land under finance lease - (Refer note (a) and (b) below)	Buildings	Plant & Machineries	Furniture and Fixtures	Computer Hardware	Office Equipment	Vehicles	Total	Capital work-in-progress
Carrying Amount:										
As at 31st March, 2017	**0.35**	**76.64**	**168.60**	**4,370.29**	**1.75**	**2.18**	**2.42**	**1.91**	**4,624.14**	**16.91**
As at 31st March, 2018	**0.35**	**122.35**	**170.05**	**4,055.98**	**2.00**	**3.96**	**2.40**	**1.68**	**4,358.77**	**24.14**

Notes :

a) In November 2007, the Company has obtained Land under finance lease from Karnataka Industrial Areas Development Board (Lessor). The amount of said land as at 31.03.2018 is ₹ 76.64 Crores (Previous year ₹ 76.64 Crores) which will remain leasehold for 11 years from the date of agreement. The Company has option to purchase the land subject to fulfillment of all the terms and conditions of allotment and payment of additional price, if any, as may be finally fixed by Lessor. Since entire amount is to be adjusted as consideration at the time of transfer, the Company has not provided amortization on said land under finance lease. All the requirements have been satisfied with respect to the terms and conditions of allotment. Further, the Company does not have any financial obligations under the finance lease arrangement.

b) During the year, the Company has obtained 121.22 acre of land under finance lease from Karnataka Industrial Areas Development Board (Lessor) amounting to ₹ 46.23 Crores which will remain leasehold for 99 years from the date of agreement. The Company has provided amortization on said land under finance lease on a straight line basis considering 99 years period. All the requirements have been satisfied with respect to the terms and conditions of allotment. Further, the Company does not have any financial obligations under the finance lease arrangement.

c) For charges created on the aforesaid assets refer note 17.1 and 20.

d) Cost of Property, Plant and Equipment includes carrying value recognised as deemed cost as of 1st April, 2015, measured as per previous GAAP and cost of subsequent additions.

CHARTERED ACCOUNTANTS

Udupi Power Corporation Limited

All amounts are in ₹ Crores, unless otherwise stated

4.2 Intangible Assets

Particulars	Computer software	Total
I. Gross Block		
Balance as at 31st March,2016	0.06	0.06
Additions	0.82	0.82
Disposals	-	-
Balance as at 31st March,2017	**0.88**	**0.88**
Additions	1.07	1.07
Disposals	-	-
Balance as at 31st March,2018	**1.95**	**1.95**
II. Accumulated depreciation and impairment		
Balance as at 31st March,2016	**0.06**	**0.06**
Amortisation expense	0.11	0.11
Disposals	-	-
Balance as at 31st March,2017	**0.17**	**0.17**
Amortisation expense	0.29	0.29
Disposals	-	-
Balance as at 31st March,2018	**0.46**	**0.46**

Carrying amount of Intangible Assets

Particulars	Computer software	Total
Carrying Amount:		
As at 31st March, 2017	0.71	0.71
As at 31st March, 2018	1.49	1.49

Notes :

i) For charges created on the aforesaid assets refer note 17.1 and 20.
ii) Cost of intangible assets include carrying value recognised as deemed cost as of 1st April, 2015, measured as per previous GAAP and cost of subsequent additions.

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5	Non-current Loans	As at 31st March, 2018	As at 31st March, 2017
	(Unsecured, considered good)		
	Loans to related parties (Refer note 45)(at amortised cost)	551.37	680.36
	Total	551.37	680.36

Note:
The fair value of Loans is not materially different from the carrying value presented.

6	Other Non-current Financial Assets	As at 31st March, 2018	As at 31st March, 2017
	(Unsecured, considered good)		
	Balances held as Margin Money (security against borrowings) (Refer note 17.1 & 20)	52.50	41.98
	Security deposits	10.50	2.47
	Total	63.00	44.45

Note:
The fair value of Other Non-current Financial Assets is not materially different from the carrying value presented.

7	Other Non-current Assets	As at 31st March, 2018	As at 31st March, 2017
	(Unsecured, considered good)		
	Capital advances (includes ₹ 250.00 Crores to related party (Previous year ₹ 250.00 Crores))	264.06	303.08
	Advance income tax (Net of provision of ₹ 9.22 Crores , Previous year ₹ 2.31 Crores)	9.74	11.07
	Advances to Employees	0.04	0.05
	Prepaid Expenses	4.95	-
	Total	278.79	314.20

8	Inventories (At lower of Weighted Average cost or net realisable value)	As at 31st March, 2018	As at 31st March, 2017
	Fuel (Includes in transit ₹ 46.23 Crores (Previous year ₹ 74.15 Crores))	104.04	215.36
	Stores and spares	126.82	96.42
	Total	230.86	311.78

Notes :
i) For charges created on Inventories refer note 17.1 and 20.
ii) For fuel consumption, refer statement of profit and loss account and for stores spares consumption, refer Other Expenses note no 30.

9	Trade Receivables	As at 31st March, 2018	As at 31st March, 2017
	Unsecured, considered good	1,104.64	1,505.03
	Total	1,104.64	1,505.03

Notes :
i) For charges created on Trade Receivables refer note 17.1 and 20.
ii) Credit Concentration :
As at 31st March 2018, out of the total trade receivables, 96.32 % (Previous year 99.98%) pertains to dues from State Distribution Companies under Long Term Power Purchase Agreements ("PPAs") including receivables pending reconciliation / confirmation as referred in note 35 and remaining from others.
iii) Expected Credit loss :
The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings. The Company is regularly receiving its normal power sale dues from its state distribution Companies under Long Term Power Purchase Agreements ("PPA"), other than receivables under reconciliation. In case of receivables which are subject to reconciliation, process of reconciliation and confirmation from the customers are under progress and the management expects confirmation and realization thereof in near future. Further, since the receivables are interest bearing, the provision for time value of money is not required. In view of the above, the Company has not provided for any impairment on its trade receivables.
iv) The fair value of Trade Receivables is not materially different from the carrying value presented.

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10	Cash and Cash Equivalents	As at 31st March, 2018	As at 31st March, 2017
	Balances with banks		
	In current accounts (Refer note (i) below)	13.25	19.09
		13.25	19.09

Note:

i) For charges created on Cash and Cash Equivalents refer note 17.1 and 20.

11	Bank balance (Other than Cash and Cash equivalents)	As at 31st March, 2018	As at 31st March, 2017
	Balances held as Margin Money	108.75	123.75
	Total	108.75	123.75

Notes :

i) For charges created on Bank Balance (Other than Cash and Cash equivalents) refer note 17.1 and 20.

ii) The fair value of Bank balance (Other than Cash and Cash equivalents) is not materially different from the carrying value presented.

12	Current Loans	As at 31st March, 2018	As at 31st March, 2017
	(Unsecured, considered good)		
	Loans to related parties (Refer note 45)	125.03	-
	Loans to employees	0.36	0.14
	Total	125.39	0.14

Note:

The fair value of Loans is not materially different from the carrying value presented.

13	Other Current Financial Assets	As at 31st March, 2018	As at 31st March, 2017
	(Unsecured, considered good)		
	Interest receivable	25.90	2.32
	Unbilled Revenue	6.40	-
	Derivative Assets (Refer note (i) below)	2.57	-
	Security deposits	0.01	5.22
	Forward Cover Receivables	0.54	-
	Other receivables	0.16	2.24
		35.58	9.78

Notes :

i) Includes options amounting to ₹ 2.24 Crores (Previous year ₹ Nil) and forward covers amounting to ₹ 0.33 Crores (Previous year ₹ Nil)

ii) The fair value of Other Current Financial Assets is not materially different from the carrying value presented except in case of Derivatives not designated as hedges (Also refer note 38).

14	Other Current Assets	As at 31st March, 2018	As at 31st March, 2017
	(Unsecured, considered good)		
	Advances for goods and services	9.78	10.02
	Prepaid Expenses	5.43	0.32
	Advance to Employees	0.05	0.11
	Total	15.26	10.45

S R B C & CO LLP CHARTERED ACCOUNTANTS

Udupi Power Corporation Limited

All amounts are in ₹ Crores, unless otherwise stated

15	Equity Share Capital		As at 31st March, 2018	As at 31st March, 2017
	Authorized Share Capital			
	2,500,000,000 (Previous year 2,500,000,000) Equity Shares of ₹ 10 each		2,500.00	2,500.00
		Total	**2,500.00**	**2,500.00**
	Issued, Subscribed and fully paid-up Equity shares			
	1,934,202,548 (Previous year 1,934,202,548) Equity Shares of ₹ 10 each		1,934.20	1,934.20
		Total	**1,934.20**	**1,934.20**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

	As at 31st March, 2018		As at 31st March, 2017	
	No. Shares	Amount	No. Shares	Amount
At the beginning of the year	1,934,202,548	1,934.20	211,050,100	211.05
Issue during the year :				
On Conversion of 1% Cumulative Compulsorily Convertible Preference Shares (Refer note c below)	-	-	1,723,152,448	1,723.15
Outstanding at the end of the year	**1,934,202,548**	**1,934.20**	**1,934,202,548**	**1,934.20**

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

c. Conversion of 1% Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each into equivalent number of Equity shares of Rs.10/-

During the previous year, the Company has converted 1,723,152,448 Cumulative Compulsorily Convertible Preference Shares ("CCCPS") of Rs. 10/- each into equivalent number of equity shares of ₹ 10/- each ranking pari passu in all respects with the existing equity shares of the Company as approved by the Board of Directors of the Company in its Meeting held on 4th March, 2017 and also approved by the Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on 7th March, 2017.

d. Shares held by Parent Company

Out of equity shares issued by the Company, shares held by its Parent Company are as under:	As at 31st March, 2018	As at 31st March, 2017
Adani Power Limited, Parent Company and its nominees Equity shares of ₹ 10/- each fully paid	1,934.20	1,934.20

e. Aggregate number of shares issued other than cash, during the period of five years immediately preceding the reporting date

	As at 31st March, 2018	As at 31st March, 2017
Company has issued and allotted fully paid up equity shares of ₹ 10 each during the year ended 31st March , 2017 to the Adani Power Limited ("the Parent Company") pursuant to Conversion of 1% Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each	1,723,152,448	1,723,152,448

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

	As at31st March, 2018		As at 31st March, 2017	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Adani Power Limited (including shares held by nominees)	1,934,202,548	100%	1,934,202,548	100%
	1,934,202,548	**100%**	**1,934,202,548**	**100%**

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All amounts are in ₹ Crores, unless otherwise stated

16	Other Equity	As at 31st March, 2018	As at 31st March, 2017
	Retained Earnings (Refer note (i) below)	(181.79)	(206.91)
		(181.79)	**(206.91)**
	a. Retained Earnings (Refer note (i) below)		
	Opening Balance	(206.91)	(252.17)
	Add : Profit for the year	24.73	45.17
	Add: Remeasurement of defined benefit plans, net of tax	0.39	0.08
	Closing Balance	**(181.79)**	**(206.91)**
	b. 1% Cumulative Compulsorily Convertible Preference Shares classified as equity		
	Opening Balance	-	1,723.15
	Less : Conversion into equivalent number of Equity shares of ₹ 10/- (Refer note 15 c)	-	(1,723.15)
	Closing Balance	-	-
	Total	**(181.79)**	**(206.91)**

Note:

i) Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

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Udupi Power Corporation Limited *

17 Non-current Borrowings

	As at 31st March, 2018		As at 31st March, 2017	
	Non-Current	Current	Non-Current	Current
Secured borrowings - at amortised cost				
Term Loans				
Loans from Banks (Refer note 1(a) and 1(b) below)	2597.36	176.89	2,774.25	176.89
Loans from Financial Institutions (Refer note 1(a) and 1(b) below)	597.46	44.64	642.10	44.64
Total	**3,194.82**	**221.53**	**3,416.35**	**221.53**
Amount disclosed under the head other current financial liabilities (Refer note 22)	-	(221.53)	-	(221.53)
Total	**3,194.82**	**-**	**3,416.35**	**-**

Notes:

1. Security details for the balances as at 31st March, 2018

a. Borrowings from Banks and Financial institutions except a loan from Power Finance Corporation Limited are secured by first mortgage and charge on all present immovable and movable assets and to be secured on future assets of the Company's 1200 MW power project at Yelluru Village, Udupi (Karnataka) on paripassu basis (also refer note 4.1 and 4.2). These borrowings are further secured by pledge of 51% Equity shares of the Company, held by the Parent Company, Adani Power Limited, as first charge.

b. Borrowings of ₹ 32.85 Crores from Power Finance Corporation is secured by deposits with banks of ₹ 41.98 Crores.

2. Repayment schedule for the balances as at 31st March, 2018

The term loans from Banks and financial institutions aggregating ₹ 3,436.17 Crores (Previous Year ₹ 3,659.53 Crores) are repayable over the period of 11 years from FY 2018-19 to FY 2029-30.

3. The amount disclosed in security details in note 1 above and repayment schedule in note 2 above are gross amount excluding adjustments towards upfront fees.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

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All amounts are in ₹ Crores, unless otherwise stated

18	Non-current Provisions		As at 31st March, 2018	As at 31st March, 2017
	Provisions for Employee Benefits			
	Provision for Gratuity (Refer note 43)		2.52	1.97
	Provision for Leave Encashment		2.72	2.04
		Total	**5.24**	**4.01**

19	Deferred Tax Liabilities (net)		As at 31st March, 2018	As at 31st March, 2017
	(a) Deferred Tax Liabilities (Net)			
	Deferred Tax Liabilities			
	Property, Plant and Equipment		865.59	786.79
	Gross deferred tax liabilities	**Total (A)**	**865.59**	**786.79**
	Deferred Tax Assets			
	Provision for Employee benefits		2.33	1.70
	On unabsorbed depreciation		863.26	785.09
	Gross Deferred Tax Assets	**Total (B)**	**865.59**	**786.79**
	Net Deferred Tax Liabilities	**Total (A-B)**	-	-

The Company has recognised deferred tax assets on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of Property, Plant and Equipment under Income Tax.

(b) Movement in deferred tax liabilities (net) for the Financial Year 2017-18		Opening Balance as at 1st April, 2017	Recognised in profit and Loss	Recognised in other Comprehensive Income	Closing balance as at 31st March, 2018
Tax effect of items constituting deferred tax liabilities:					
Property, Plant and Equipment		786.79	78.80	-	865.59
	Total - (A)	**786.79**	**78.80**	-	**865.59**
Tax effect of items constituting deferred tax assets :					
Provision for Employee benefits		1.70	0.63	-	2.33
On unabsorbed depreciation		785.09	78.17	-	863.26
	Total - (B)	**786.79**	**78.80**	-	**865.59**
Net Deferred Tax Liabilities	**Total - (A-B)**	-	-	-	-

(c) Movement in deferred tax liabilities (net) for the Financial Year 2016-17		Opening Balance as at 1st April, 2016	Recognised in profit and Loss	Recognised in other Comprehensive Income	Closing balance as at 31st March, 2018
Tax effect of items constituting deferred tax liabilities:					
Property, Plant and Equipment		859.22	(72.43)	-	786.79
	Total - (A)	**859.22**	**(72.43)**	-	**786.79**
Tax effect of items constituting deferred tax assets :					
Provision for Employee Benefits		-	1.70		1.70
On unabsorbed depreciation		859.22	(74.13)	-	785.09
	Total - (B)	**859.22**	**(72.43)**	-	**786.79**
Net Deferred Tax Liabilities	**Total - (A-B)**	-	-	-	-

19.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

	As at 31st March, 2018	As at 31st March, 2017
Tax losses and credits (revenue in nature)*	148.41	415.18
	148.41	**415.18**

Note:

*Out of above, MAT credits of ₹ 47.58 Crores will expire from AY 2028-29 to AY 2033-34.

No deferred tax asset has been recognised on the above unutilised tax losses and tax credits as there is no evidence that sufficient taxable profit will be available in the future against which they can be utilised by the Company.

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20 Current Borrowings

	As at 31st March, 2018	As at 31st March, 2017
Secured Borrowings , at amortised cost		
Trade Credits		
From Banks	657.59	558.43
Cash Credit From Banks	500.26	802.07
Total	**1,157.85**	**1,360.50**

Security details for the balances as at 31st March, 2018:

Cash Credit and Trade Credits from banks are secured by first mortgage and charge on all present immovable and movable assets and to be secured on future assets of the Company's 1200 MW power project at Yelluru Village, Udupi (Karnataka) on paripassu basis (Also refer note 4.1 and 4.2) with the secured lenders. These borrowings are further secured by pledge of 51% Equity shares of the Company, held by the Parent Company, Adani Power Limited, as first charge.

21 Trade Payables

	As at 31st March, 2018	As at 31st March, 2017
Acceptances	41.79	433.05
Other than Acceptances	513.28	427.50
Total	**555.07**	**860.55**

Notes:

i) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (including interest on outstanding dues) which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

ii) Trade payables mainly include amount payable to coal suppliers and operation and maintenance vendors in whose case credit period allowed is less than 12 months. Company usually opens usance letter of credit in favour of coal suppliers of imported coal. Interest is charged by such suppliers for amount unpaid beyond the credit period. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

iii) The fair value of trade payables is not materially different from the carrying value presented.

22 Other Current Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017
Current maturities of long-term borrowings (Refer note 17)	221.53	221.53
Interest accrued	2.97	2.67
Payable on purchase of Property, Plant & Equipment (Including retention money)	11.20	14.40
Derivatives not designated as hedges (Refer note (i) below)	0.56	40.45
Total	**236.26**	**279.05**

Notes :

i) Includes Options amounting to ₹ 0.46 Crores (Previous year - ₹ 32.46 Crores) and Forward covers amounting to ₹ 0.10 Crores (Previous year - ₹ 7.99 Crores)

ii) The fair value of Other Current Financial Liabilities is not materially different from the carrying value presented, except in case of Derivatives not designated as hedges (Also refer note 38).

23 Other Current Liabilities

	As at 31st March, 2018	As at 31st March, 2017
Statutory liabilities	7.90	2.40
Advance from Customers	0.28	0.30
Security Deposits	0.61	0.62
	8.79	**3.32**

24 Current Provisions

	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits		
Provision for Leave Encashment	0.85	0.91
Total	**0.85**	**0.91**

25 Current tax liabilities (net)

	As at 31st March, 2018	As at 31st March, 2017
Income-tax payable (Net of current advance tax ₹ 6.91 Crores (Previous year : ₹ 4.01 Crores)	-	8.81
	-	**8.81**

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Udupi P... on Limited *

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All amounts are in ₹ Crores, unless otherwise stated

26 Revenue from Operations		For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from Power Supply (Refer note 32)		2,786.18	3,202.02
Revenue from Coal Sale		40.60	-
Other Operating Revenue			
Sale of Fly Ash		2.09	1.57
	Total	2,828.87	3,203.59

27 Other Income		For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Income (Refer note (i) below)		102.00	76.15
Income from mutual funds		0.38	-
Sale of Scrap		3.34	2.90
Foreign Exchange Fluctuation Gain (Net)		6.94	36.70
Miscellaneous Income		0.77	1.45
	Total	113.43	117.20

Notes :

i) Interest income comprises of interest income on financial assets carried at amortised cost, which includes interest on margin deposits with banks ₹ 13.70 Crores (Previous Year ₹ 4.85 Crores), interest on loans and advances ₹ 87.49 Crores (Previous Year ₹ 71.30 Crores) and interest on others ₹ 0.81 Crores (Previous Year ₹ Nil).

28 Employee Benefits Expense		For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, Wages and Allowances		43.85	38.94
Contribution to Provident and Other Funds (Refer note 43)		3.19	2.66
Staff Welfare Expenses		1.69	1.95
	Total	48.73	43.55

29 Finance Costs		For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest Expense on :			
Loans		427.99	455.50
Trade Credits & Others		72.80	96.54
		500.79	552.04
(b) Other borrowing costs :			
Loss on Derivative Contracts		2.13	49.70
Bank Charges and other borrowing costs		23.63	25.66
		25.76	75.36
(c) Net loss on foreign currency transactions and translation (to the extent of considered as finance cost)		12.71	-
		12.71	-
	Total	539.26	627.40

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Udupi Power Corporation Limited *

All amounts are in ₹ Crores, unless otherwise stated

30 Other Expenses

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Transmission Expenses	-	2.39
Consumption of Stores and Spares	36.09	50.71
Repairs and Maintenance		
Plant and Equipment	43.68	41.61
Others	3.32	4.03
Rent	0.59	0.79
Rates and Taxes	0.71	0.78
Legal & Professional Expenses	8.68	11.90
Directors' Sitting Fees	0.02	0.03
Payment to Auditors (Refer note 40)	0.24	0.22
Communication Expenses	0.60	0.72
Travelling and Conveyance Expenses	3.99	4.28
Insurance Expenses	8.16	6.44
Office Expenses	0.36	0.44
Bad Debt Written Off	-	0.04
Loss on Sale of Property,Plant and Equipment, net	17.26	0.05
Donations	0.05	0.05
Corporate Social Responsibility Expenses (Refer note 44)	3.70	2.20
Electricity Expenses	0.30	0.06
Miscellaneous Expenses	10.14	7.99
Total	**137.89**	**134.74**

31 Income Tax

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current Tax		
Current Income Tax Charge	6.91	12.41
Adjustments in respect of prior years	(0.03)	-
Total (a)	**6.88**	**12.41**
Deferred Tax		
In respect of current year	-	-
Total (b)	-	-
Total (a)+(b)	**6.88**	**12.41**

The income tax expense for the year can be reconciled to the accounting profit as follows :

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit before tax as per Statement of Profit and Loss	31.61	57.59
Income tax using the company's domestic tax rate @ 34.608%	10.94	19.93
Tax Effect of :		
i) Deferred Tax asset not created on temporary differences / unabsorbed depreciation or carried forward losses	13.46	(12.24)
ii) Brought forward losses utilised during the year	(24.53)	(8.20)
iii) Non-deductible expenses	0.13	0.51
iv) Minimum Alternate Tax (MAT)	6.91	12.41
v) Income-taxes related to prior years	(0.03)	-
Income tax recognised in Statement of Profit and loss at effective rate Total	**6.88**	**12.41**

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32 During the previous year, Exceptional Item includes reversal of revenue from power supply amounting to ₹ 168.75 Crores pursuant to CERC order dated 24th March'2017 in the matter of Revision of tariff for the period from Commercial Operation Date (SCOD) till 31st March'2014, and after considering the impact thereof on the financial years 2014-15 and 2015-16.

33 Contingent Liabilities and Commitments :

	As at 31st March, 2018	As at 31st March, 2017
(i) Contingent liabilities :		
(a) Claims against the Company not acknowledged as debts (Refer note (i) below)	174.82	166.92
(b) Customs Duty Claims against the Company (Under appeals)(Refer note (ii) below)	261.10	261.10
Total	**435.92**	**428.02**

Notes :
i) Matter related to Arbitration for which the Company has filed arbitration suit under Arbitration Act 1996.
ii) Matter related to custom duty claims against the Company which is contested at various levels of Indirect Tax authorities.
iii) Management is not expecting any future cash outflow with respect to above litigations.

(ii) Commitments :	As at 31st March, 2018	As at 31st March, 2017
Estimated amount of contract remaining to be executed on capital account and not provided for (Net of advance)	457.71	468.38
Total	**457.71**	**468.38**

34 The Company has determined the Recoverable Amounts of the Power Plants under Ind AS 36, Impairment of Assets on the basis of their Value in Use by estimating the future cash inflows over the estimated useful life of the Power Plants. Further, the cash flow projections are based on estimates and assumptions relating to operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.
On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the Recoverable Amounts of the Power Plants are higher than their carrying amounts as at 31st March, 2018. However, if these estimates and assumptions change in future, there could be corresponding impact on the recoverable amounts of the Plants.

35 Trade receivables includes ₹ 110.11 Crores (Previous year - ₹ 137.11 Crores) relating to earlier years which are under advanced stage of reconciliation with the customers. The management is confident of recovery of the receivables based on its assessment which considers subsequent direction by the nodal agency to the customers to release part payment against the said receivable. (Also refer note 9).

36 The Company has taken various derivatives to hedge its risks associated with foreign currency fluctuations. The outstanding position of derivative instruments is as under :

Nature	Purpose	As at 31st March, 2018		As at 31st March, 2017	
		Amount	Foreign Currency (in Millions)	Amount	Foreign Currency (in Millions)
Forward contracts	Hedging of Trade credits, Acceptances, Creditors and future coal contracts	296.28	USD 45.46	201.16	USD 31.02
Options	Hedging of Trade credits, Acceptances, Creditors and future coal contracts	614.86	USD 94.34	733.91	USD 113.17
		911.14		**935.07**	

The details of foreign currency exposures not hedged by derivative instruments are as under:

	As at 31st March, 2018			As at 31st March, 2017		
	Amount	Foreign Currency (in Millions)		Amount	Foreign Currency (in Millions)	
1. Import Creditors and Acceptances	36.22	USD	5.56	304.45	USD	46.95
	0.01	EUR	0.00	-		-
	0.04	CHF	0.01	-		-
2. Trade Credits	154.83	USD	23.76	56.41	USD	8.70
3. Interest accrued but not due	1.72	USD	0.26	1.29	USD	0.20
	192.82			**362.15**		

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Udupi Power Corporation Limited

37 i) Financial Risk Management objective and policies:

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and the risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

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 commodity risk.

a) 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.

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuation at the end of the reporting period. The said analysis has been carried out on the amount of floating rate long term liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points on the exposure of Long term borrowings of ₹ 3,436.17 Crores as on 31st March 2018 and ₹ 3,659.53 Crores as on 31st March, 2017 respectively and if all other variables were held constant, the Company's profit or loss for the year would increase or decrease as follows:

	For the year ended 31st March 2018	For the year ended 31st March 2017
Impact on Profit / (Loss) for the year	17.18	18.30

b) 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables.

Every one percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S.dollar on the exposure of $ 29.54 and $ 55.85 million at on 31st March, 2017 , would have affected the Company's profit or loss for the year as follows :

	Impact of Change in USD to INR Rate	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Impact on Profit / (Loss) for the year	1.93	3.62

c) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is having majority of receivables from State Electricity Boards which are Government undertakings and hence they are secured from credit losses in the future.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from lenders, trade creditors as well as fellow subsidiaries and parent Company.

Maturity profile of financial liabilities :

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

As at 31st March, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,379.38	886.10	2,308.72	4,574.20
Trade Payables	555.07	-	-	555.07
Derivative instruments	0.56	-	-	0.56
Other Financial Liabilities	14.17	-	-	14.17

As at 31st March, 2017	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,582.03	1,069.35	2,347.00	4,998.38
Trade Payables	860.55	-	-	860.55
Derivative instruments	40.45	-	-	40.45
Other Financial Liabilities	17.08	-	-	17.08

ii) Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

All amounts are in ₹ Crores, unless otherwise stated

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38 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2018 is as follows :

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	-	-	13.25	13.25
Bank balances other than cash and cash equivalents	-	-	108.75	108.75
Trade Receivables	-	-	1,104.64	1,104.64
Loans	-	-	676.76	676.76
Derivative Instruments	-	2.57	-	2.57
Other Financial assets	-	-	96.01	96.01
Total	**-**	**2.57**	**1,999.41**	**2,001.98**
Financial Liabilities				
Borrowings	-	-	4,574.20	4,574.20
Trade Payables	-	-	555.07	555.07
Derivative Instruments	-	0.56	-	0.56
Other Financial Liabilities	-	-	14.17	14.17
Total	**-**	**0.56**	**5,143.44**	**5,144.00**

b) The carrying value of financial instruments by categories as of 31st March, 2017 is as follows :

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	-	-	19.09	19.09
Bank balances other than cash and cash equivalents	-	-	123.75	123.75
Trade Receivables	-	-	1,505.03	1,505.03
Loans	-	-	680.49	680.49
Other Financial assets	-	-	54.23	54.23
Total	**-**	**-**	**2,382.59**	**2,382.59**
Financial Liabilities				
Borrowings	-	-	4,998.37	4,998.37
Trade Payables	-	-	860.55	860.55
Derivative Instruments	-	40.45	-	40.45
Other Financial Liabilities	-	-	17.08	17.08
Total	**-**	**40.45**	**5,876.00**	**5,916.45**

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Udupi Power Corporation Limited

39 Fair Value hierarchy :

Particulars		As at 31st March, 2018 Level 1	Level 2	Level 3	Total
Assets					
Derivative instruments		-	2.57	-	2.57
Total	Total	-	2.57	-	2.57
Liabilities					
Derivative instruments		-	0.56	-	0.56
Total	Total	-	0.56	-	0.56

Particulars		As at 31st March, 2017 Level 1	Level 2	Level 3	Total
Assets					
Derivative instruments		-	-	-	-
Total	Total	-	-	-	-
Liabilities					
Derivative instruments		-	40.45	-	40.45
Total	Total	-	40.45	-	40.45

The fair value of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter parties.

40 Payment to Auditors:

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
Audit fees		0.24	0.22
Fees for Certification & Other Services		-	*
	Total	0.24	0.22

(Figures below ₹ 50,000 are denominated by *)

41 Earnings per Share

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
Basic and Diluted EPS			
Profit attributable to equity shareholders	Amount (₹ in Crores)	24.73	45.18
Weighted average number of equity shares outstanding during the year	No	1,934,202,548	1,934,202,522
Nominal Value of equity share	₹	10.00	10.00
Basic and Diluted EPS	₹	0.13	0.23

42 The Company's activities during the year revolve around power generation. Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 – "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

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Udupi ... Limited

All amounts are in ₹ Crores, unless otherwise stated

43 As per Ind AS - 19 "Employee Benefits", the disclosures are given below :

(a) Defined Benefit Plan

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The status of gratuity plan as required under Ind AS - 19.

Particulars	As at 31st March, 2018	As at 31st March, 2017
i. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	4.02	3.18
Current Service Cost	0.83	0.70
Interest Expense or Cost	0.31	0.25
Liability Transferred in/out	0.59	0.13
Benefit paid	(0.37)	(0.16)
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumptions	(0.01)	0.15
change in financial assumptions	(0.57)	(0.37)
experience variance (i.e. Actual experiences assumptions)	0.15	0.14
Present Value of Defined Benefit Obligations at the end of the Year	4.95	4.02
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair value of Plan assets at the beginning of the Year	2.05	1.56
Investment Income	0.16	0.12
Employee's Contributions		
Employer's Contributions	0.56	0.53
Benefit paid	(0.30)	(0.16)
Return on plan assets , excluding amount recognised in net interest expense	(0.04)	
Fair value of Plan assets at the end of the Year	2.43	2.05
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	4.95	4.02
Fair Value of Plan assets at the end of the year	2.43	2.05
Net Liability recognized in balance sheet as at the end of the year	2.52	1.97
iv. Composition of Plan Assets		
Plan Assets are administered by Life Insurance Corporation of India	100%	100%
v. Gratuity Cost / (Gain) for the Year		
Current service cost	0.83	0.70
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.15	0.13
Net Gratuity Cost / (Gain) recognised in the Statement of Profit & Loss	0.98	0.83
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
change in demographic assumptions	(0.01)	0.15
change in financial assumptions	(0.57)	(0.37)
experience variance (i.e. Actual experiences assumptions)	0.15	0.14
Return on plan assets, excluding amount recognised in net interest expense	0.04	-
Components of defined benefit costs recognised in other comprehensive income	(0.39)	(0.08)

vii. Actuarial Assumptions

	As at 31st March, 2018	As at 31st March, 2017
Discount Rate (per annum)	7.80%	7.60%
Expected annual Increase in Salary Cost	7.00%	8.00%
Attrition Rate	5.24%	5.70%

Mortality Rates are given under Indian Assured Lives Mortality (2006-08) Ultimate Retirement Age 58 Years

viii. 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 is given below:

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ation Limited

Particulars	As at 31st March, 2018	As at 31st March, 2017
Defined Benefit Obligation (Base)	4.95	4.02

Particulars	As at 31st March 2018		As at 31st March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	5.44	4.53	4.43	3.67
(% change compared to base due to sensitivity	9.80%	-8.40%	10.20%	-8.70%
Salary Growth Rate (- / + 1%)	4.52	5.43	3.67	4.42
(% change compared to base due to sensitivity)	-8.60%	9.80%	-8.80%	10.00%
Attrition Rate (- / + 50%)	4.89	4.98	4.09	3.96
(% change compared to base due to sensitivity)	-1.20%	0.80%	1.80%	-1.40%
Mortality Rate (- / + 10%)	4.95	4.95	4.02	4.02
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

ix. Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan,the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

x. Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is ₹ 3.27 Crores

c) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows) - 9 years

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	0.42
2 to 5 years	1.84
6 to 10 years	2.31
More than 10 years	7.59

xi. The Company has defined benefit plan for Gratuity to eligible employees, the contributions for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines.

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

The actuarial liability for compensated absences as at the year ended 31st March, 2018 is ₹ 3.57 Crores (As at 31st March, 2017 : ₹ 2.95 Crores)

(b) Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of profit and loss for the year is as under:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employer's Contribution to Provident Fund	2.19	2.00
Employer's Contribution to Superannuation Fund	0.05	0.05

44 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : ₹ Nil

(b) Amount spent during the year on : ₹ 3.70 Crores (Previous year - ₹ 2.20 Crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Gross amount as per the limits of Section 135 of the Companies Act, 2013	-	0.97
i) Amount contributed		
Construction/acquisition of any assets	-	-
On purpose other than above	3.70	2.20
Total amount contributed during the year	3.70	2.20
ii) Amount yet to be contributed	-	-

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Udupi Power Corporation Limited

All amounts are in ₹ Crores, unless otherwise stated

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45 Related party transactions and Balances :

a) List of related parties and relationship

Description of relationship	Name of Related Parties
Ultimate Controlling Entity (through direct and indirect control)	S. B. Adani Family Trust ("SBAFT")
Immediate Holding Company	Adani Power Limited
Fellow Subsidiary	Adani Power (Mundra) Limited Adani Power Maharashtra Limited Adani Power Rajasthan Limited
Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control	Adani Enterprises Limited Adani Global FZE Adani Global Pte Limited Adani Green Energy (Tamilnadu) Limited Adani Infra (India) Limited Mundra Solar PV Limited Maharashtra Eastern Grid Power Transmission Company Limited Parampujya Solar Energy Pvt. Limited
Key Management Personnel	Kandarp Patel- Whole-time Director Virendra Kasliwal- CFO Gaurav Vesasi - Company Secretary (up to 27th December, 2017) Nayna K Gadhvi - Non-Executive Director (up to 9th October,2017) Shyamal S Joshi - Non-Executive Director (up to 9th October,2017)

b) Transactions with Related Parties :

	For the year ended 31st March 2018				For the year ended 31st March 2017			
Particulars	**Fellow Subsidi-aries**	**Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control**	**Key Management Personnel**	**Immediate Holding Company**	**Fellow Subsidi-aries**	**Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control**	**Key Management Personnel**	**Immediate Holding Company**
Nature of Transaction with Related Parties :								
Purchase of Goods	1.00	1,088.42	-	-	61.28	1,451.37	-	0.04
Sale of Goods	40.81	-	-	-	0.06	18.51	-	-
Purchase of Assets	-	-	-	-	-	0.06	-	-
Interest Income	42.71	25.00	-	19.78	-	-	-	71.30
Other Balances Transfer from	0.06	0.03	-	-	0.01	0.23	-	0.05
Other Balances Transfer to	0.91	0.19	-	-	0.13	0.03	-	0.37
Receiving of Services	-	3.63	-	-	-	5.67	-	-
Loan Given	851.28	-	-	678.61	9.25	-	-	173.67
Loan Received back	726.25	-	-	807.60	9.25	-	-	257.44
Loan Taken	-	-	-	30.00	-	-	-	-
Loan Repaid Back	-	-	-	30.00	-	-	-	-
Interest Expenses on Loan	-	-	-	0.11	-	-	-	-
Compensation of Key Management Personnel								
Short-term benefits	-	-	-	-	-	-	0.29	-
Post-employment benefits	-	-	-	-	-	-	0.01	-
Director's Sitting fees	-	-	0.01	-	-	-	0.03	-

c) Balances With Related Parties :

	As at 31st March 2018				As at 31st March 2017			
Particulars	**Fellow Subsidi-aries**	**Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control**	**Key Management Personnel**	**Immediate Holding Company**	**Fellow Subsidi-aries**	**Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control**	**Key Management Personnel**	**Immediate Holding Company**
Balances With Related Parties :								
Loans given	125.03	-	-	551.37	-	-	-	680.36
Receivables								
Trade receivables	40.61	23.28	-	-	0.07	-	-	-
Security Deposit and Advances	0.70	-	-	-	-	0.01	-	-
Capital Advances	-	250.00	-	-	-	250.00	-	-
Payables								
Trade and Other Payables	0.61	486.51	-	-	39.34	700.98	-	0.33
Interest Payable	-	-	-	0.10	-	-	-	-

The amounts outstanding are unsecured and will be settled in cash or kind. No guarantees have been given or received. No expense has been recognised in current year or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

CHARTERED ACCOUNTANTS

46 Recent Accounting Pronouncements

The Company applied for first time certain amendmends to the Standards, which are effective for annual periods begining on or after 1st April, 2017. The nature and impact of each amendmend is described below:

Amendmends to Ind AS 7 Statement of Cash flows : Disclosure initiative

The Amendment require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and comparative period.

Standard issued but not effective:

Ind As 115 revenue from contracts with customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements.The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

SRBC & CO LLP
CHARTERED ACCOUNTANTS

47 Previous year figures have been regrouped and rearranged wherever necessary to confirm to this year's classification

In terms of our report attached
For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per RAJ AGRAWAL
PARTNER
Membership No. 82028

Place : Ahmedabad
Date : 2nd May 2018

For and on behalf of the Board of Directors

JAYADEB NANDA
DIRECTOR
DIN : 06578925

KANDARP PATEL
WHOLE-TIME DIRECTOR
DIN : 02947643

VIRENDRA KASLIWAL
CHIEF FINANCIAL OFFICER

Place : Ahmedabad
Date : 2nd May 2018