

COASTAL

Projects Limited

CIN: U45203OR1995PLC003982



22nd ANNUAL REPORT 2016 - 2017

www.coastalprojects.co.in

CONTENTS

S.No	PARTICULARS	PAGE No.
1	Notice of AGM	5
2	Directors report	9
3	Secretarial Audit Report	26
4	Auditors' Report	32
5	Balance sheet	51
6	Profit and Loss Account	52
7	Notes forming part of the financial statements	54
8	Cash Flow Statement	86
9	Consolidated Financial Statement	87
10	Attendance Slip	121
11	Proxy Form (Form No. MGT-11)	122
12	Route Map to AGM venue	123

BOARD OF DIRECTORS:

- | | | |
|-----------------------------------|---|-------------------|
| 1. Mr.S.Surendra | - | Chairman |
| 2. Mr.G.Hari Hara Rao | - | Managing Director |
| 3. Mr. N.Sridhar | - | Director |
| 4. Mr. Sharad Kumar | - | Director |
| 5. Mr. T.V.A.L.N.V.DSrinivasa Rao | - | Director |

COMPANY SECRETARY:

Ms. N.Varalakshmi

STATUTORY AUDITOR:

M/s U.K.Mahapatra&Co.
Chartered Accountants
#237, 2nd Floor, Bapuji Nagar,
Bhubaneswar,
Orissa – 751009

SOLICITORS /ADVOCATES:

M/s Sarthak Advocates & Solicitors
Delhi

M/s Raghunandan Associates
Hyderabad

Registered Office:

Plot No.237, 2nd Floor
Bapujinagar
Bhubaneswar
Orissa- 751 009

Corporate Office:

304-O, Road No 78,
Filmnagar, Jubilee Hills,
Hyderabad
Telangana -500 033

Regional Office:

A - 102 Sector - 65
Noida - 201307
UttarPradesh
India– 110 019

Registrars and Transfer Agents

M/s Karvy Stock Broking Limited
46, Avenue-4, Street No 1,
Banjara Hills,
Hyderabad, Andhra Pradesh – 500 034

Bankers/ Lenders list

State Bank of India	Export Import Bank of India
State Bank of Hyderabad	Bank of Maharashtra
State Bank of Mauritius	Bank of Baroda
State Bank of Travancore	Bank of Bahrain and Kuwait
State Bank of Bikaner & Jaipur	Canara Bank
South Indian Bank	Central Bank of India
Standard Chartered Bank	Kotak Mahindra Bank Limited
Yes Bank Limited	KarurVysa Bank
ICICI Bank	Oriental Bank of Commerce
Corporation Bank	Punjab National Bank
Axis Bank Limited	IDBI Bank
Andhra Bank	SREI Equipment Finance P Ltd
Bajaj Auto Finance Ltd	Aditya Birla Corporation
India Bulls Financial Services Ltd	IFCI Ltd
L&T Infra Finance Ltd	IDFC Ltd
Phoenix ARC- HDFC	Indusind Bank Ltd
Tata Capital Ltd	Siemens Financial Services Pvt Ltd
Tata Motors Finance Limited	Shriram Equipment Finance Co Ltd

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of Members of Coastal Projects Limited will be held on Thursday, the 2nd November, 2017 at 10.30 A.M. at Hotel Trident, CB-1 Nayapalli, Bhubaneswar 751 013, India to transact the following business:

Ordinary Business:

1. To receive, consider and adopt
 - (a) The audited Balance Sheet as at 31st March 2017 and Statement of Profit and Loss for the year ended as on that date together with the Reports of the Directors and the Auditors thereon.
 - (b) The audited consolidated financial statement of the Company for the financial year ended 31st March 2017.
2. To regularize the appointment of Additional Director Mr.T.V.A.L.N.V.DSrinivasa Rao (DIN: 01633877),
3. To re-appoint Director MrS. Surendra(DIN: 00398152) who retires by rotation and, being eligible, offers himself for re-appointment.
4. **TO APPOINT STATUTORY AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT in terms of the provisions of Sections 139, 142 and other applicable provisions if any, of the Companies Act 2013 read with the underlying rules viz., Companies (Audit and Auditors) Rules, 2014 as may be applicable the statutory auditors M/s. Pavuluri & Co. Practicing Chartered Accountants, with Firm regn.no 012194S be and are hereby appointed as independent auditors of the Company in place of retiring auditors M/s. U K Mahapatra & Co, to hold office from the conclusion of this meeting until the conclusion of 27th Annual General Meeting of the Company, be ratified by the Members annually at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

5. **Shifting of registered office of the Company from Bhubaneswar to Hyderabad:**

To consider and, if thought fit, to pass the following resolution, with or without modifications, as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 13(4) and other applicable provision(including any modification or re-enactment thereof), if any, of the Companies Act, 2013, read with rule 30 of Companies (Incorporation) Rules, 2014, and subject to the confirmation of the Central Government and subject to the consent of members of the company, and such other approvals as may be necessary, the registered office of the company be and hereby is shifted from its present location in Bhubaneswar i.e., state of Orissa to Hyderabad i.e., the state of Telangana.

RESOLVED FURTHER THAT the Clause II of the Memorandum of association of the company be and hereby substituted by the following:

II. The registered office of the company will be situated in the state of Telangana.

RESOLVED FURTHER THAT Mr. S. Surendra and Mr. G. Hari Hara Rao the Directors of the Company be and are hereby authorised jointly and severally to do such all acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for and on behalf of the company."

6. Ratification of Cost Auditor Remuneration

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as **Ordinary resolution**

"Resolved that pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014(including any amendments there to or any statutory modification(s) or re-enactment thereof for the time being inforce), the remuneration payable to M/s JagadeeshBabu& co., Cost Accountants,(Firm Registration No. 102469) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18, amounting to Rs.50,000/- (Rupees fifty thousand only) as also the payment of service taxes applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

By the Order of the Board
For Coastal Projects Limited

Place: Hyderabad
Date: 06.09.2017

Sd/-
Company secretary

EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item 5: Shifting of registered office of the Company from Bhubaneswar to Hyderabad.

The company desires to shift its registered office from the present state of Orissa to the state of Telangana, in this view the company to have its day to day business operations in an efficient manner for the future prospects of the company and to avail the facilities in the interest of company's future growth.

In connection to this the board of directors has decided that registered office of the company be shifted from the state of Orissa to the state of Telangana as per the provision of section 13(4) and other applicable provisions of the companies act 2013 and such shifting of registered office requires to alter Memorandum of association of the company and also require to obtain approval of shareholders and central government and other authorities, further it will not be prejudicial to interest of shareholders.

Therefore the board of directors recommends shifting of registered office and to seek member's approval in this behalf.

The board recommends the resolution to the members for their consideration and approval.

None of the directors of the company is concerned or interested in the proposed resolution.

Item No. 6: Ratification of Cost Auditor Remuneration

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s Jagadeesh Babu & co, Cost Auditors, Hyderabad, as Cost Auditors of the Company at a remuneration of Rs. 50,000/- plus reimbursement of out of pocket expenses, for conducting audit of cost records for the Financial Year 2017-18.

In terms of the provisions of section 148 of the Companies Act, 2013 and rules made thereunder the remuneration payable to the Cost Auditor is to be ratified by the members of the Company in general meeting. Accordingly the members are requested to ratify the above said remuneration payable to the Cost Auditor during the Financial Year 2017-18.

The ratification by the Members to this Remuneration is being sought in this resolution.

The Board recommends the resolution for approval of the Members.

None of the Directors, Key Managerial personnel, and their relatives of the company is directly / indirectly interested in the above resolution.

By Order of the Board
For Coastal Projects Limited

Sd/-

N.Varalakshmi
Company Secretary

Place: Hyderabad

Date:06.09.2017

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is set out in the notice is annexed hereto.
2. *A member shall appear with reasonable prominence, who is entitled to attend and vote at the meeting is entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf on poll instead of him/her and such proxy need not be a member of the company. The proxies to be effective, should be duly stamped, completed, signed and deposited at the registered office of the company or its registrar and share transfer agent not less than forty eight hours before the commencement of meeting.*
3. Members/proxies should produce at the entrance of the venue duly filled attendance slip for attending the meeting.
4. M/s Karvy Computershare Private Limited (Karvy) is the Registrar and Transfer Agent of the Company. Karvy is also the depository interface of the Company with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL).

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 22nd Annual Report on the Progress of the Company together with the Audited Accounts for the year ended 31st March 2017.

FINANCIALS:

A. Standalone

The key financials are as per table below:

Rs. in Millions

Particulars	FY 2016-2017	FY 2015-2016
Operational Income	12841.98	10,417.36
Other Income	135.50	126.03
Operational expenditure	7607.94	8390.88
EBITDA	5369.54	2,152.51
Interest & Finance Charges	3798.71	3,907.68
Depreciation	1075.47	1,526.06
PBT	495.37	(3,281.23)
Tax	469.20	393.27
PAT	26.17	(2,887.96)
Net Cash Accruals	1,101.64	(1,361.90)
EBITDA %	41.81%	20.66%
PAT %	0.20%	(27.72)

- a) **Revenue from Operations:** There has been an Increase of 23.27% in the Revenue from Operations of the company from Rs 10,417.36 Million during FY 16.
- b) **EBITDA Margin:** Operational expenditure declined by 9.33 per cent from Rs 8,390.88 Million during FY 2016 to Rs 7,607.94 Million during FY 2017.
- c) **PAT Margin:** During FY 2017, the profit of the company is at Rs 26.17 Million as against Rs 2,887.96 Million loss during the FY 2016.

Consolidated financial statements

In compliance with the provisions of the Companies Act, 2013 and the Accounting Standards IAS-27 and IAS-31 on consolidated financial statements, read with the Accounting Standard IAS-28 on Accounting for Investments in Associates, attaching the consolidated financial statements for the financial year ended March 31, 2017, which forms part of the Annual Report.

OPERATIONAL PERFORMANCE

The company has undertaken the following major projects:

Sl.No	Name of the Work	Value of the Work including escalation and extra works (Millions)
1	J-ChokkaraoDevadula - Lift Irrigation Scheme - Phase - III Package no. 2 & 3 Andhra Pradesh	17,500.00
2	NF Railway – Maligaon, Manipur	23,969.00
3	Bangalore Metro Railway Tunneling Project, Karnataka	6,947.70
4	BMRCL Underground Majestic station works	3,443.90
5	Pula SubbaiahVeligonda project - Tunnel – 2, Andhra Pradesh	10,851.00
TOTAL		62,711.60

The Company was awarded the following major projects:

Sl.No	Project Details	Contract Value (Millions)
1	NF Railway Tunnel-8,9&11	709.23
2	NF Railway Tunnel-1 IFCD Thoubal	643.78
TOTAL		1,353.01

CORPORATE DEBT RESTRUCTURE/STRATEGIC DEBT RESTRUCTURING.

As members are aware that the Company's fund and non-fund based facilities amounting to Rs 4,435 Crore was restructured under the Corporate Debt Restructuring Scheme on March 29, 2014. Though the package was implemented, the recovery of the company is taking time due to external and internal reasons and stressed phase of infrastructure industry. Following to this, lenders had considered conversion of WCTL, FITL and overdue interest into Compulsory Convertible Preference Sharesto provide relief to the company. The RBI had come out with a circular dated 08.06.2015 providing for conversion of debt to equity under the Strategic Debt Restructuring (SDR) Scheme. After several deliberations, the lenders agreed to set 25.07.2015 as the reference date for invocation of SDR and thereby converted 180.51 Crores of debt into equity by holding 54.55% stake in CPL post SDR.

As per SDR guidelines, lenders post attaining majority shareholding have to initiate change in management and the same shall be done within 18 months (i.e. January 24, 2017) from the reference date. After considerable efforts for 12 months from reference date, CPL has received Binding Investment offer from two potential Investors for buying parts of the business of CPL based on the discussions between the Investors and the Company.

The implementation of the Carve out scheme coupled with SDR exit which was approved by super majority of lenders cannot be implemented for want of investor's approval. Thus, the scheme could not be implemented in the current form. Company's accounts with various banks have been classified as Non-Performing Assets as on 31.03.2017.

DIVIDEND

Your directors have not recommended any dividend for the financial year 2016-17.

TRANSFER TO RESERVES

During the year, an amount of Rs 26.17 million has been transferred to reserves and surplus.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report except the corporate debt restructuring mentioned elsewhere in this report.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 6 times during the year 2016 -17 i.e., 29.06.2016, 19.08.2016, 05.10.2016, 02.12.2016, 30.12.2016 and 21.01.2017.

SL No	Name of the Director	DIN	Category	No of meetings attended
1	S.Surendra	00398152	Chairman	6
2	G.Hari Hara Rao	02240794	Managing Director	6
3	N.Sridhar	06549014	Director	6
4	Sharad Kumar	05187359	Director	6

PUBLIC DEPOSITS:

Your Company has not accepted any deposits from the public, or its employees during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars required under section 134(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows.

A. Conservation of Energy:

- (i) The steps taken or impact on conservation of energy: The Energy Conservation measures have been implemented wherever possible. The Company is making

sincere efforts towards conservation of energy through improved operational methods and all other possible methods.

(ii) The steps taken by the company for utilizing alternate sources of energy: The Company is taking necessary steps to use alternative sources of energy.

(iii) The capital investment on energy conservation equipment: Nil

B) Technology Absorption: The Company strives continuously to upgrade its technology in all its operations.

C) Foreign Exchange Earnings and Outgo: as per Annual Accounts enclosed.
The particulars of foreign exchange earnings and outgo are given below:

(INR Million)

Particulars	2016-17	2015-16
Earnings	NIL	NIL
Outgo		
Imports	NIL	NIL
Expenses	0.12	1.20
Investments	NIL	NIL

EXTRACT OF THE ANNUAL RETURN:

The extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in form MGT-9 is attached to the Directors' Report as *Annexure-A*.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge and ability confirm that:

- In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit/loss of the company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and that such other systems were adequate and operating adequately.
- (f) That proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively

DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013 and rules framed there under Mr. S. Surendra, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

There has been no change in the composition of the Board of Directors and Key Managerial Personnel of the Company during the financial year under review.

In pursuance of the provisions of the Companies Act, 2013, Independent Directors and Women Director needs to be appointed on the Board. As the company is facing various litigations with the lenders, supplies and bankers no Independent or women directors are forthcoming to join on the Board of Directors.

PARTICULARS OF EMPLOYEES

In pursuance of the provisions of Section 197(12) of the Companies Act, 2013 read with the Rules 5(2) and 5(3) of the Companies (Appointment and remuneration of Managerial personnel) Rules 2014, none of the employees is drawing remuneration in excess of the limits set out in the said rules.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION.

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules framed thereunder, the Board of Directors approved and adopted the Nomination and Remuneration Policy of your Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

The Company has 9 (nine) subsidiaries, 1(one) Joint Ventures and 1(one) Associate as on 31st March, 2017. There was no material change in the nature of the business carried on by the subsidiaries.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/ Joint Ventures is prepared and is attached to the Financial Statements of the Company as "*Annexure-C*".

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

Pursuant to section 188 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party transactions entered by the Company during the year with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

CORPORATE SOCIAL RESPONSIBILITY

As required by the Provisions of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company, consisting of Members Mr. Hari Hara Rao, Mr. N.Sridhar and Mr. Sharad Kumar. The said Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which have been approved by the Board. This policy envisages CSR Activities to be taken up, amount of expenditure to be incurred and monitoring of the CSR Activities from time to time. During the year the company was not required to spend any amount on CSR.

STATUTORY AUDITORS AND THEIR REPORT

The Statutory Auditor of the Company viz., M/s. U.K. Mahapatra & Co., Chartered Accountants retire at the conclusion of the this Annual General Meeting and the company is willing to appoint new statutory auditor M/s. Pavuluri & Co. Practicing Chartered Accountants, with Firm regn.no 012194S in place of the retiring auditor in the upcoming AGM and new auditors have confirmed their eligibility and willingness to accept the office of Statutory Auditor, to hold office from the conclusion of the this twenty second Annual General Meeting up to the conclusion of the twenty seventh Annual General Meeting.

The Statutory Auditor Report to the shareholders of the Company does not contain qualification(s).

Explanation to the points mentioned in the Auditors Report of the financial statement which is self-explanatory.

Emphasis of matter has been given in the Auditors Report on investment in one of the subsidiaries has been fully explained in the financial statement which is self-explanatory.

COST AUDITORS

The Board has appointed M/s Jagadeesh Babu & co., Cost Accountants, (Firm Registration No. 102469) as Cost Auditors of the Company for conducting the audit of cost records of the Company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Sec 204(1) of the Companies Act, 2013, the Company has appointed M/s. R&A Associates, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit for the financial year 2016 -17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith as *Annexure – B*

The Secretarial Auditor Report does contain few observations regarding non filing/ delay in filing few forms and few other issues which will be complied during the year.

VIGIL MECHANISM

Your Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns and hosted on the website of the company pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report except the strategic debt restructuring mentioned elsewhere in this report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company is constantly endeavoring to improve the standards of internal control in various areas. The existing set up of internal control system is commensurate with the size of the company's operations and its nature of business. However, realizing the significance of the contribution that sound internal control systems can make to any organization, the Company is taking steps to further strengthen the internal control system.

RISK MANAGEMENT

The Company is in the process of establishing Enterprise Risk Management to manage risks with the objective of maximizing shareholders value. The business of the company depends on the changes in Government policy on infrastructure sector development.

MANAGEMENT DISCUSSION AND ANALYSIS

CPL over the past more than a decade has earned a reputation as one of the pioneers and specialists in business of providing construction and EPC services across the country especially in underground tunnelling/excavation, metro, shafts etc.. It has the distinction of completing the projects undertaken by it in the time schedule laying emphasis on quality and executing the projects to the entire satisfaction of the clients.

Over the last 5 years, due to economic downturn the infrastructure sector in India has adversely affected. Thus, CPL like all similar companies in the industry struggled with liquidity crunch and with their highly leveraged balance sheets, focused on operations control and generating cash flows to meet the short term obligations.

Like all other infra companies, CPL also faced unforeseen circumstances and used debt financing for projects execution. The sudden, sharp and prolonged slowdown has resulted in the company's revenue and profit margin suffered due to slow order inflows, bottlenecks in execution, higher interest cost, delays in payments and realization of pending receivables from clients. Consequently, this has affected the top line and bottom line of the company and also couldn't service the debt. However, in this regard the company has successfully completed the Corporate Debt Restructuring (CDR) in FY 14, the package provides for moratorium to interest rate payments and readjustment of tenures for repayment of Term Loans (TL).

The implementations of CDR package got delayed by a quarter and also due to continuous challenges faced by the company in the FY 15 due to the overall macroeconomic hasn't changed, further the Govt. struggled to stabilize the economy in various states where the company is executing its major projects. Following to this, lenders had considered conversion of WCTL, FITL and overdue interest into CCPS to provide relief to the company. The RBI had come out with a circular dated 08.06.2015 providing for conversion of debt to equity under the Strategic Debt Restructuring (SDR) Scheme. After several deliberations, the lenders agreed to set 25.07.2015 as the reference date for invocation of SDR and thereby converted 180.51 Crores of debt into equity by holding 54.55% stake in CPL post SDR.

The implementation of the Carve out scheme coupled with SDR exit which was approved by super majority of lenders cannot be implemented for want of shareholders approval. Thus, the scheme could not be implemented in the current form.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for and gratitude to various departments and undertakings of the Central and State Governments, Banks, Financial Institutions and valued customers, for their valuable support and co-operation and also wish to place on record their wholehearted appreciation for continued support extended by the Shareholders and Investors, which has always been a source of strength for the Company.

Place: Hyderabad

Date: 06th September, 2017

For Coastal Projects Limited

Sd/-
S.Surendra
Chairman

Form No. AOC-2 (Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)		
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto		
1.	Details of contracts or arrangements or transactions not at arm's length basis: a) Name(s) of the related party and nature of relationship b) Nature of contracts/arrangements/transactions c) Duration of the contracts / arrangements/transactions d) Salient terms of the contracts or arrangements or transactions including the value, if any e) Justification for entering into such contracts or arrangements or transactions date(s) of approval by the Board f) Amount paid as advances, if any: g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.	Not Applicable
2.	Details of material contracts or arrangement or transactions at arm's length basis (a) Name(s) of the related party and nature of relationship: (b) Nature of contracts/arrangements/transactions: (c) Duration of the contracts / arrangements/transactions: (d) Salient terms of the contracts or arrangements or transactions including the value, if any: (e) Date(s) of approval by the Board, if any: (f) Amount paid as advances, if any: Form shall be signed by the persons who have signed the Board's report.	Not Applicable

Place: Hyderabad

Date: 06th September, 2017

For Coastal Projects Limited

Sd/-
S.Surendra
Chairman

Annexure - A

FORM NO. MGT 9					
<i>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.</i>					
EXTRACT OF ANNUAL RETURN					
As on the financial Year ended 31/03/2016					
I	REGISTRATION & OTHER DETAILS:				
i	CIN	U45203OR1995PLC003982			
ii	Registration Date	01.05.1995			
iii	Name of the Company	COASTAL PROJECTS LIMITED			
iv	Category of the Company	PUBLIC COMPANY			
v	Address of the Registered office & contact details				
	Address :	237, Bapuji Nagar, 2nd Floor, - 751009 Bhubaneswar , Orissa, INDIA			
	Telephone (with STD Code) & fax	0674 -6942656 , 0674 - 2597956			
	Email Address :	cs@coastalprojects.co.in			
	Website, if any:	www.coastalprojects.co.in			
vi	Whether listed company	NO			
vii	Name and Address of Registrar & Transfer Agents (RTA):-				
	Karvy Stock Broking Limited 46, Avenue-4, Street No 1, Banjara Hills, Hyderabad ,Telangana -500034				
II	PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY				
	All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-				
Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company		
1	Construction & Civil Engineering	41001, 41002, 42101, 42201, 42204	100%		
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Grandeur Power Projects Pvt Ltd	U40300UP2010PTC042937	Subsidiary	100	Sec 2 (87)
2	Badao Hydro Power Pvt Ltd	U40300UP2011PTC043279	Subsidiary	100	Sec 2 (87)
3	Para Hydro Power Pvt Ltd	U40300UP2011PTC043280	Subsidiary	100	Sec 2 (87)

22nd Annual Report 2016-17

CIN: U45203OR1995PLC003982

4	Rebby Hydro Power Pvt Ltd	U40300UP2011PTC043281	Subsidiary	100	Sec 2 (87)
5	Jalpower Corporation Limited	U40109TG2004PLC043985	Subsidiary	50.18	Sec 2 (87)
6	Ujjawala Power Pvt Ltd	U40101DL2010PTC208285	Subsidiary	99.99	Sec 2 (87)
7	Coastal Lanka Pvt Ltd	PV 71774	Subsidiary	100	Sec 2 (87)
8	Coastal Transnational Ventures (CY) Limited	HE276067	Subsidiary	100	Sec 2 (87)
9	NepalJalabidyutPravar danTathaBikash Limited		Associate	41	Sec 2 (87)
10	Prospecta Infrastructure Private Limited	U45309OR2016PTC025601	Subsidiary	100	Sec 2 (87)

IV. SHARE HOLDING PATTERN

(EquityShareCapitalBreakupaspercentageofTotalEquity):

Category-Wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
. Promoters									
(1) Indian									
a) Individual/HUF	38260641		38260641	11.44	38260641		38260641	11.56	
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	184956873		184956873	55.89	184956873		184956873	55.89	-
e) Banks / FI									
f) Any Other....	223217514		223217514	67.45	223217514		223217514	67.45	
Sub-total (A) (1):-									-
(2) Foreign									
a) NRIs - Individuals	107718086		107718086	32.55	107718086		107718086	32.55	
b) Other – Individuals				-				-	-
c) Bodies Corp.	107718086		107718086	32.55	107718086		107718086	32.55	
d) Banks / FI									
e) Any Other....									-
Sub-total (A) (2):-	330935600		330935600	100	330935600		330935600	100	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding		-			-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	330935600		330935600	100	330935600		330935600	100	-

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1.	S.Surendra	33854313	10.23	11.44	33854313	10.23	11.44	-
2.	S.Papayya	645753	0.20		645753	0.20		-
3.	S.Santhisree	2848895	0.86		2848895	0.86		-
4.	G.Hari Hara Rao	455000	0.14		455000	0.14		-
5.	N.Swaroop Rani	41799	0.01		41799	0.01		-
	Total	37845760	11.44		37845760	11.44		-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	No Change	No Change	No Change	No Change
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
3	At the End of the year	No Change	No Change	No Change	No Change

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Name of Shareholder	Number of Equity Shares	Shareholding (%)
1	Tunnel Holdings 1 Limited	39013029	11.79
2	Fidelity India Ventures	30192054	9.12
3	Sequoia Capital India Growth Investment Holdings 1	28199986	8.52
4	State Bank of India	25857505	7.81
5	ICICI Bank	24835760	7.50
6	Punjab National Bank	22085152	6.67
7	Axis Bank	19000617	5.74
8	State Bank of Hyderabad	15225967	4.60
9	State Bank of Travancore	10840760	3.28
10	IDBI Bank	10122179	3.06
	TOTAL	225373009	68.10

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name of Shareholder	Number of Equity Shares	Shareholding (%)
DIRECTORS			
1	Mr. S. Surendra	33854313	10.23
2	Mr. G. Hari Hara Rao	455000	0.14
	TOTAL	34309313	10.37

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	43892.29	49.90	-	43942.19
ii) Interest due but not paid	380.35			380.35
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	44272.64	49.90	-	44322.54

Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	46014.15	181		46195.15
ii) Interest due but not paid	484.92			484.92
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	46499.07	181		46680.07

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

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

Sl.No	Particulars of Remuneration	Name of Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify...	--	--
5.	Others, please specify	--	--
	Total (A)	--	--
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name Independent/Non-Executive Directors	Total Amount
1.	Independent Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify	No Managerial Remuneration has been paid.	NIL
	Total (1)		

2.	Other Non-Executive Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify (Consultancy Charges)	No Managerial Remuneration has been paid.	NIL
	Total (2)		
	Total (B)=(1+2)	No Managerial Remuneration has been paid.	NIL

Note: Board of directors not drawing any remuneration.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB:
(Rupees)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	18,33,456	---	18,33,456
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--
5.	Others, please specify (Consultancy Charges)	--	--	--	--
	Total (c)	--	18,33,456	--	18,33,456

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (giveDetails)
A. Company: NIL					
B. Directors : NIL					
C. Other Officers in Default : NIL					



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,
 The Members,
 Coastal Projects Limited,
 Plot No 237, 2nd Floor, Bapuji Nagar,
 Bhubaneswar-751009,
 Khurda, Orissa,
 India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Coastal Projects Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter.

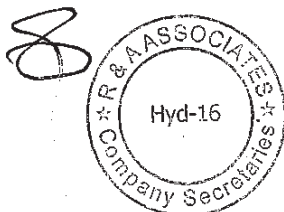
We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(Not applicable to the Company during the Audit Period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under



to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014; **(Not applicable to the Company during the Audit Period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**
- (vi) The Company has identified the following laws as specifically applicable to the Company;
1. *The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the "Construction Workers Act")*
 2. *Inter-state Migrant Workers Act, 1979*
 3. *Contract Labour (Regulations and Abolition) Act, 1970 and rules made thereunder*



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges. (Not applicable to the Company during the reporting period)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations / audit qualifications:

1. In few instances, there were delays in filing of forms/returns/documents with the Registrar of Companies beyond the due dates. There were also some instances where the Company is yet to file the forms and the delay has crossed 270 days as prescribed under Section 403 of the Companies Act, 2013.
2. Pursuant to Section 149 of the Companies Act, 2013 the Company is required to appoint Women Director and the Independent Director(s). The Company is yet to comply with this requirement. Accordingly, the composition of Corporate Social Responsibility Committee, Audit Committee and Nomination and Remuneration Committee constituted by the board are not in line with the provisions of Section 135, 177 & 178 of the Companies Act, 2013.
3. The Company is yet to file Annual Performance Report in Form ODI part II in respect of its investment in its Wholly-owned Subsidiary(s).
4. There was delay in submitting Annual Return on Foreign Liabilities and Assets with the Reserve Bank of India for the financial year 2015-16.

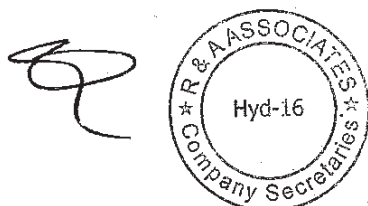
We further report that,

The Board of Directors of the Company is not duly constituted as the Company is yet to appoint Women and Independent Directors on the board as required under the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are reasonable systems and processes in the company

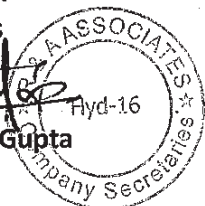


commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However the Company is required to improve the same for its adequacy.

We further report that the Company is under Corporate Debt Restructuring/Strategic Debt Restructuring, the package provides for moratorium to interest rate payment and readjustment of tenures for repayment of outstanding term loans.

For and Behalf of
R & A Associates


R. Ramakrishna Gupta
Senior Partner
FCS No.: 5523
C P No.: 6696
Technopolis, T 202,
1-10-74/B, Begumpet,
Hyderabad – 500016,
Telangana, India



Date: 6th September, 2017
Place: Hyderabad

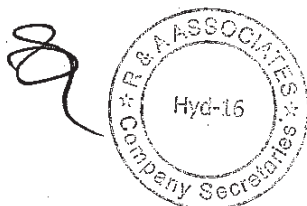
This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report

"Annexure – A"

To,
The Members,
Coastal Projects Limited,
Plot No 237, 2nd Floor, Bapuji Nagar,
Bhubaneswar-751009,
Khurda, Orissa, India.


Our report of even date is to be read along with this letter:

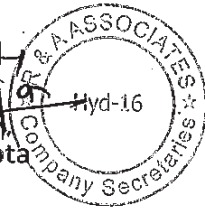
1. Maintenance of secretarial records is the responsibility of the management of Coastal Projects Limited, ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.
8. Pursuant to Section 158 of the Companies Act, 2013 read with Companies (Registration Offices and Fees) Rules, 2014, the Company has not mentioned the Director Identification Number (DIN), and address of the person signing the resolutions, extracts filed with the Registrar of Companies.



9. The Company has received show cause notice from Registrar of Companies, Orissa dated 9th March, 2016 seeking clarifications on items in Financial Statements for the Financial year ended 31st March, 2011 and the same was replied by the Company on 19th May, 2016.

For and Behalf of
R & A Associates


R. Ramakrishna Gupta
Senior Partner
FCS No : 5523
C P No : 6696
Technopolis, T 202,
1-10-74/B, Begumpet,
Hyderabad – 500 016
Telangana, India



Date: 6th September, 2017
Place: Hyderabad

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COASTAL PROJECTS LIMITED**

Report on the Stand alone Ind AS Financial Statements

We have audited the accompanying Stand alone Ind AS financial statements of **COASTAL PROJECTS LIMITED** ("the Company") CIN: U45203OR1995PLC003982 having registered office at # 237, 2nd Floor, Bapuji Nagar, Bhubaneswar - 09 which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the statement of changes in equity for the year then ended and a summary of the 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 on these standalone financial statements.

Basis for Qualified Opinion

As stated in note 37 to the Ind AS standalone financial statements, the deferred tax asset of Rs.1,613.35 million (31 March, 2016: Rs.2,082.55 million) has been recognized. As per Ind AS 12, subject to limited exceptions, deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. However, the existence of unused tax losses of Rs.3,038.23 million is strong evidence that future taxable profit may not be available. Therefore, in the absence of convincing evidence, recognition of such deferred tax asset is not in accordance with Ind AS 12 "Income Taxes". Had such deferred tax asset not been recognised, profit after tax for the period would have been lower by Rs.Nil million (31 March, 2016: Rs. 366.39 million), and the balances in Reserves and Surplus, and Deferred Tax Assets would have been lower by Rs.1,613.35 million (31 March, 2016: Rs. 2,082.55 million).

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, the aforesaid Ind AS Standalone financial statements give the information required by the Act in the manner so required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act of the state of affairs (financials position) of the Company as at 31 March, 2017 and its loss (financial performance including other comprehensive income) its cash flow and the changes in equity for the year ended on that date.

Emphasis of Matter

The Company has an investment of Rs.843.41 million (31 March, 2016 Rs 843.41 million) in its wholly owned subsidiary and has advanced share application money aggregating to Rs.855.13 million (31 March, 2016 Rs.855.13 million) as at 31 March, 2017. Based on audited financial statements, the subsidiary had incurred losses Rs 0.79 million for the year ended 31 March, 2016 and its accumulated loss of Rs 252.21 million as at 31 March, 2016. However, no provision for diminution in the value of investments (including share application money) has been made by the company, for the reasons stated in note 45 to the Ind AS financial statements.

We invite the attention to note 44 of the Ind AS financial statements relating to claims revenue to the extent of Rs 3,920.00 million recognised pending final arbitration approval during the year based on the legal opinion and the reasons stated thereon.

Our opinion is not qualified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2015 included in these Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended 31st March, 2015 and 31st March, 2016 on which we issued a modified audit opinion vide our reports dated 28th October, 2015 and 05th October, 2016 respectively on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

Our opinion is not modified in respect of these matters.



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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We sought and, except for the matters described in the Basis for Qualified Opinion paragraph, 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 above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive Income, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account
 - (d) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Ind AS Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 38 to the Standalone Ind AS financial statements;
 - ii. The Company *did not have any long-term contracts including derivative contracts for which there were any material for foreseeable losses. However, there are other long term contracts, against which we are unable to comment relating to any material for foreseeable losses.*



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company, as detailed in Note 14 to the Ind AS Standalone financial statements, has made requisite disclosures in these standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.



Place: Bhubaneswar
Date: 06 September, 2017

For U. K. Mahapatra & Co.
Chartered Accountants
(Registration No. 320039E)

Manas Kumar Mania

Manas Kumar Mania
Partner
(Membership No. 300113)

ANNEXURE “ A ” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Coastal Projects Limited (the “Company”) as on 31 March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Place: Bhubaneswar

Date: 06 September, 2017



**For U.K. Mahapatra & Co.
Chartered Accountants
(Registration No 320039E)**


**(Manas Kumar Manla)
Partner
Membership No. 300113**

ANNEXURE “ B ” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date).

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for certain low value items.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that the management is in the process of reconciling the assets physically verified with asset register and further, any discrepancies arising would be dealt with on completion of such reconciliation
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the records of inventories maintained by Company need to be strengthened in relation raw material and stores and spares and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
 - (b) In the absence of stipulations, we are unable to comment whether any overdue amounts of over Rs.1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system, except that the Company needs to strengthen its systems and procedures relating to documentation.



- (v) According to the information and explanations given to us, the Company has not accepted any deposit to which directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of Companies Act, 2013, or Rules framed there under are applicable, during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company:
- (i) Has generally been regular in depositing undisputed statutory dues of Employees' State Insurance, Wealth Tax, Customs Duty, cess and other material statutory dues applicable to it with the appropriate authorities.
- (ii) Has not been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Service Tax and Work Contract Tax with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable except the following.

(INR in Million)

Name of Statute	Nature of Dues	Amount Involved	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax Deducted at Source	37.87	2012-13 & 2016-17	Various
The Finance Act, 1994	Service Tax	83.48	2014-15 to 2016-17	Various
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	17.73	2014-15 to 2016-17	Various
Tax on Professions, Trades, Callings and Employment Act	Professional Tax	1.43	2014-15 to 2016-17	Various

- (c) There are no dues in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31 March, 2017 on account of disputes. The dues outstanding in respect of income tax on account of disputes are as follows

Name of the statute	Nature of Dues	Amount (INR in Million)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Tax deducted/collected at source	181.56	A.Y 2013-14 to A.Y. 2016-17	CIT-(Appeals)-3, Bhubaneswar



- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, and having regard to the Corporate Debt Restructuring (CDR) Scheme which has been implemented with effect from 31 July, 2013, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders except as stated below:

(INR In Million)

Particulars	Principal	Interest	Period of delay (in days)
Financial Institutions – Loans	18.75	27.20	1 to 180 days
	18.75	33.25	181 to 365 days
Banks – Loans	572.26	916.01	1 to 180 days
	572.26	1119.53	181 to 365 days

- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For U.K. Mahapatra & Co.
Chartered Accountants
(Registration No 320039E)

Place: Bhubaneswar

Date: 06 September, 2017



(Manas Kumar Mania)

Partner

Membership No. 300113

INDEPENDENT AUDITOR'S REPORT

To the Members of Coastal Projects Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of COASTAL PROJECTS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries referred to as ("the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash flow statements, the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Management is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Management and the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company.

Auditor's Responsibility

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

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

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



We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

- (a) *As stated in note 37 to the Ind AS Consolidated financial statements, the deferred tax asset of Rs. 1,613.35 million (31 March, 2016: Rs. 2,082.55 million) has been recognized in the books of Coastal Projects Limited. As per Ind AS 12, subject to limited exceptions, deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. However, the existence of unused tax losses of Rs. 3,038.23 million is strong evidence that future taxable profit may not be available. Therefore, in the absence of convincing evidence, recognition of such deferred tax asset is not in accordance with Ind AS 12 "Income Taxes". Had such deferred tax asset not been recognised, profit after tax for the period would have been lower by Rs Nil million (31 March, 2016: Rs. 366.39 million), and the balances in Reserves and Surplus, and Deferred Tax Assets would have been lower by Rs. 1,613.35 million (31 March, 2016: Rs. 2,082.55million).*
- (b) *Coastal Transnational Ventures (CY) Limited (a wholly owned subsidiary of the Holding Company) made an investment of Rs.1,457.60 million as at 31 March 2017 in S.E.L.I. Societa Esecuzione Lavori Idraulici s.p.a., the recoverability of the same is doubtful.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financials information of the subsidiaries and associate, except for the possible effects of the matters specified in the Basis of Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the consolidate state of affairs (consolidated financial position) of the Group as at 31 March, 2017, and their consolidated loss (consolidated financial performance including other comprehensive income), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter-

1. We invite attention to Notes 1 and 47 of the consolidated Ind AS financial statements, relating to the invocation of the Strategic Debt Restructuring Scheme and expected financial support by the lenders for recommencement of the stalled projects, consequent to which these Ind AS financial statements have been prepared on a going concern basis and no provision is considered necessary with respect to the amounts recoverable from stalled projects.
2. We draw attention with respect to Jal Power Corporation Limited's Capital –Work-in-Progress delay in commencement of Operations, original commencement of the project was 30th June 2013, which is rescheduled till 30th June 2016 due to geological & capital infusion delays (as on date the company is in the process of reschedule of commencement of project, which is inter related to capital infusion). The company has approached the Sikkim state Government for further capital infusion with the approvals of the financial institutions (Power Finance Corporation & Punjab National bank). The Company's request with the Government of Sikkim for increase their equity participation from 26% to 51% is pending approval. The last communication received on 26-03-2015, there is no further communication received as on the date of audit.

Our Opinion is not qualified in respect of these matters.



Other Matters

- (a) We did not audit the financial statements of Nine subsidiaries(two foreign subsidiaries), whose financial statements reflect total assets of Rs.11,789.37million as at 31 March, 2017, total revenues of Rs.0.57 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The comparative financial information of the Group for the year ended 31st March, 2017 and the transition date opening consolidated balance sheet as at 1st April, 2015 included in these consolidated Ind AS financial statements are based on the previously issued statutory consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended 31st March, 2016 and 31st March, 2015 on which we issued a modified audit opinion vide our reports dated 28 October 2015 and 02 December 2016 respectively on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have also been audited by us.

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

Report on Other Legal and Regulatory Requirements

1. As required by the by the Companies Act, 2013 in terms of Clause (i) of sub-section (3) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, incorporated in India, we give in the "ANNEXTURE B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries associate, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.



- (d) In our opinion, Except the matter described in the basis for Qualified Opinion paragraph the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the subsidiary companies, incorporated in India is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 38 to the consolidated Ind AS financial statements.
 - The Holding Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India.
 - The Company has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 14 to the Consolidated Financial Statements.
- (g) With respect to the internal financial controls over financial reporting of the Holding and subsidiary companies and the operating effectiveness of such controls refer to in Annexure A. Our report express an unmodified opinion on the adequacy and operating effectiveness of these company's internal financial controls over financial reporting.

For U. K. Mahapatra & Co.
Chartered Accountants
(Registration No. 320039E)


Manas Kumar Mania
Partner
(Membership No. 300113)

Place: Bhubaneswar
Date: 06 September, 2017



ANEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT.

Independent Auditor’s report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Coastal Projects Limited (‘the Holding Company’) and its subsidiaries, (the Holding Company and its subsidiaries together referred to as ‘the Group’), its associates as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, associate company, as at that date.

Management Responsibility for Internal Financial Controls

The Holding company Board of Directors is responsible for establishing and maintains internal financial controls based on the internal financial control over financial reporting criteria established by the company considering the essential components of the internal controls stated in Guidance note of 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 operated effectively for ensuring the orderly and efficient conduct of business, including adherence to company’s policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting of the Holding Company, its subsidiaries, associate as aforesaid based on our audit. We conduct the audit in accordance with the Guidance note on Internal Financial Controls over Financial Reporting (The Guidance note) issued by the Institute of Chartered Accountants of India and Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to the audit of internal Financial controls. Those Standards and Guidance Note require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls system over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depending on auditor judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control over financial reporting of the Holding Company, its subsidiaries, associate as aforesaid.

Meaning of Internal Financial Control over Financial Reporting

A company’s internal financial control over financial reporting is process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose 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 maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance 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 the authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial controls over Financial Reporting.

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

Opinion

In our opinion, to the best of our information according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st march 2017, based on internal financial control over financial reporting criteria established by the Holding and subsidiary company's considering essential components of internal controls stated in guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For U. K. Mahapatra & Co.
Chartered Accountants
(Registration No. 320039E)**



**Manas Kumar Mania
Partner
(Membership No. 300113)**

**Place: Bhubaneswar
Date: 06 September, 2017**



“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Our reporting on the order includes two subsidiary companies incorporated in India, to which the order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of other auditor, to the extent considered applicable for reporting under the Order in the case of consolidated Ind AS financial statements.

- (i) In respect of its fixed assets of the Holding Company, subsidiary companies incorporated in India
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for certain low value items.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that the management is in the process of reconciling the assets physically verified with asset register and further, any discrepancies arising would be dealt with on completion of such reconciliation.
- (ii) In respect of its inventories of the Holding Company, subsidiary companies incorporated in India
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Companies and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the records of inventories maintained by Companies need to be strengthened in relation raw material and stores and spares and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies incorporated in India have granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
 - (b) In the absence of stipulations, we are unable to comment whether any overdue amounts of over Rs.1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Holding Company, subsidiary companies incorporated in India and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system, except that needs to strengthen its systems and procedures relating to documentation.



- (v) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies incorporated in India have not accepted any deposit to which directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of Companies Act, 2013, or Rules framed there under are applicable, during the year.
- (vi) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies incorporated in India we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues the Holding Company, subsidiary companies incorporated in India
- (a) The group
- (i) has generally been regular in depositing undisputed statutory dues of Employees' State Insurance, Wealth Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (ii) has not been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Service Tax and Work Contract Tax with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable *except the following*.

Holding company

Name of Statute	Nature of Dues	Amount (Rs. in Million)	Period to which the Amount Relates	Due Date
The Income Tax Act, 1961	Tax Deducted at Source	55.19	2012 – 13	Various
		56.99	2013 – 14	Various
		30.92	2014 -15	Various
		22.13	2015 -16	Various
Wealth Tax Act 1957	Wealth Tax	0.38	2012-13	Various
The Finance Act, 1994	Service Tax	102.82	2014-15& 2015-16	Various
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	14.60	2014-15& 2015-16	Various
	Interest on Provident Fund	3.33	2014-15& 2015-16	Various
Tax on Professions, Trades, Callings and Employment Act	Professional Tax	1.41	2014-15& 2015-16	Various



Jal Power Corporation Limited, (subsidiary):

S.No.	Statutory Liability	Amount (Rs. in Million)
1	Environment Cess	3.42
2	Tax Deducted at Source	3.72
3	Works Contract Tax	6.94
4	Labour Welfare Cess	0.23
5	Provident Fund	0.37
6	Professional Tax	0.15
7	Royalty	3.44
Total		18.27

- (c) There are no dues in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31 March, 2017 on account of disputes. The dues outstanding in respect of income tax on account of disputes are as follows

Name of the statute	Nature of Dues	Amount (Rs. in Million)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Tax deducted/collected at source	181.56	A.Y 2013-14 to A.Y.2016-17	CIT-(Appeals)-3, Bhubaneswar

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under.
- (viii) The accumulated losses of the group at the end of the financial year are not less than fifty percent of its net worth and the group has incurred cash losses during the financial year covered by our audit and has incurred cash losses in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, and having regard to the Corporate Debt Restructuring (CDR) Scheme which has been implemented with effect from 31 July, 2013, the holding Company has not defaulted in the repayment of dues to financial institutions, banks *except as stated below:*

Holding company	(Rs. in Million)		
Particulars	Principal	Interest	Period of delay (in days)
Financial Institutions – Loans	25	-	1 to 180 days
	12.50	-	181 to 365 days
Banks – Loans	1178.49	954.57	1 to 180 days
	968.76	585.03	181 to 365 days



(Rs. in Million)

S.No	Particulars	Delay upto 30 days	Delay 31-90 days	More than 90 days
I	Interest Liability	92.28	134.64	880.98

- (x) In our opinion and according to the information and explanations given to us and the other auditors the terms and conditions of the guarantees given by the Holding Company, subsidiary companies incorporated in India, for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the group.
- (xi) In our opinion and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies incorporated in India, during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, subsidiary companies incorporated in India and no material fraud on the Holding Company, subsidiary companies incorporated in India has been noticed or reported during the year.

For U. K. Mahapatra & Co.
Chartered Accountants
(Registration No. 320039E)


Manas Kumar Mania
Partner
(Membership No. 300113)

Place: Bhubaneswar
Date: 06 September



Balance Sheet as at 31 March 2017

(Amount in INR Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	6	2,648.98	3,747.61	4,990.39
Capital work-in-progress		-	-	226.63
Intangible assets	7	0.01	0.01	0.01
Financial assets				
Investments	8	2,040.39	2,040.29	1,598.85
Security Deposits	9	1,164.58	1,160.08	1,295.94
Other assets	10	1,732.18	1,706.70	2,290.53
Deferred tax asset (net)	37	1,613.35	2,082.55	1,716.16
Other non-current assets	11	4,775.74	4,661.44	4,130.80
Total non-current assets		13,975.23	15,398.68	16,249.31
Current assets				
Inventories	12	14,710.09	13,450.73	11,291.85
Financial assets				
Trade receivables	13	16,875.39	12,382.78	11,313.15
Cash and cash equivalents	14	282.07	380.38	213.48
Bank balances other than cash and cash equivalent	15	48.11	15.05	264.72
Loans	16	3,439.93	3,406.54	3,851.39
Other assets	17	1.84	2.52	10.10
Current tax assets (net)	18	339.11	397.33	314.23
Other current assets	19	7,794.85	8,727.34	8,960.19
Total current assets		43,491.40	38,762.68	36,219.11
Total assets		57,466.63	54,161.36	52,468.42
EQUITY AND LIABILITIES				
Equity				
Equity share capital	20	3,309.36	3,309.36	191.63
Other equity	21	-609.35	-635.52	3,565.03
Total equity		2,700.01	2,673.84	3,756.66
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	22	22,832.52	23,212.77	24,007.35
Provisions	24	12.68	16.98	17.08
Other non-current liabilities	25	788.62	790.18	447.35
Total non-current liabilities		23,633.82	24,019.93	24,471.78
Current liabilities				
Financial liabilities				
Borrowings	26	18,342.67	16,933.45	15,626.12
Trade payables	27	2,321.39	2,515.75	2,523.52
Other current liabilities	28	10,461.68	8,010.42	6,081.74
Provisions	24	7.05	7.96	8.60
Total current liabilities		31,132.79	27,467.59	24,239.98
Total liabilities		54,766.62	51,487.52	48,711.76
Total equity and liabilities		57,466.63	54,161.36	52,468.42

The accompanying notes from 1 to 48 are an integral part of the financial statements.

As per our report of even date

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

For and on behalf of the Board of Directors

Sd/-

Manas Kumar Mania

Partner

(Membership No 300113)

Sd/-

S. Surendra

Chairman

(DIN: 00398152)

Sd/-

G.Hari Hara Rao

Managing Director

(DIN: 02240794)

Sd/-

N.Varalakshmi

Company Secretary

(M.No: FCS 6999)

Place: Bhubaneswar

Date: 06 September, 2017

Place: Hyderabad

Date: 06 September, 2017

Statement of Profit and Loss for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Income			
Revenue from operations	29	12,841.98	10,417.36
Other income	30	135.50	126.03
Total income		12,977.49	10,543.39
Expenses			
Cost of material consumed	31	3,951.29	3,880.01
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	-1,877.08	-2,429.19
Employee benefits expense	33	962.24	930.20
Finance costs	34	3,798.71	3,907.68
Depreciation and amortization expense	35	1,075.47	1,526.06
Other expenses	36	4,571.48	6,009.86
Total expenses		12,482.12	13,824.62
Profit /(Loss) before exceptional items and tax		495.37	-3,281.23
Exceptional items		-	-
Profit /(Loss) before tax		495.37	-3,281.23
Income tax expense			
Current tax		-	-26.88
Deferred tax		469.20	-366.39
Total income tax expense		469.20	-393.27
Profit/(Loss) for the year		26.17	-2,887.96
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains/ (losses) on defined benefit plans		6.03	3.97
Income tax effect		2.98	1.96
Other comprehensive income for the year		9.01	5.93
Total other comprehensive income for the year		35.19	-2,882.03
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)	42	0.11	-23.30
Diluted earnings /(loss) per share (INR)	42	0.11	-23.30

The accompanying notes from 1 to 48 are an integral part of the financial statements.

As per our report of even date

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

For and on behalf of the Board of Directors

Sd/-

Manas Kumar Mania

Partner

(Membership No 300113)

Sd/-

S. Surendra

Chairman

(DIN: 00398152)

Sd/-

G.Hari Hara Rao

Managing Director

(DIN: 02240794)

Sd/-

N.Varalakshmi

Company Secretary

(M.No: FCS 6999)

Place: Bhubaneswar

Date: 06 September, 2017

Place: Hyderabad

Date: 06 September, 2017

COASTAL PROJECTS LIMITED

Statement of changes in equity for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

(A) Equity share capital

	As at 31 March 2017		As at 31 Mar 2016	
	No. of shares	Amount	No. of shares	Amount
Equity shares of [' 10] each issued, subscribed and fully paid				
Opening	330.94	3,309.36	191.63	191.63
Add: issue during the year	-	-	3,117.73	3,117.73
Closing	330.94	3,309.36	3,309.36	3,309.36

(B) Other equity

	Equity component of compound financial instrument	Reserve and surplus				Items of OCI			Total
		Share options outstanding	Securities premium reserve	Treasury shares	General reserve	Retained earnings	FVTOCI Reserve	FVTOCI Reserve on equity instruments	
Balance as at 1 April 2015	1,330.89	-	3,527.48	-	-	-1,293.34	-	-	3,565.03
Loss for the year	-	-	-	-	-	-2,887.96	-	-	-2,887.96
Other comprehensive income	-	-	-	-	-	-	-	5.94	-
Total other comprehensive income for the year	-	-	-	-	-	-2,887.96	-	5.94	-2,887.96
Transactions with owners in their capacity as owners:									
Issue of Convertible Preference Shares	-1,330.89	-	18.30	-	-	-	-	-	-1,312.59
Employee stock option expense	-	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-	-
Forfeiture of share options	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	-	-	3,545.78	-	-	-4,181.30	-	-	-635.52

	Equity component of compound financial instrument	Reserve and surplus				Items of OCI			Total
		Share options outstanding	Securities premium reserve	Treasury shares	General reserve	Retained earnings	FVTOCI Reserve	FVTOCI Reserve on equity instruments	
Balance as at 1 April 2016	-	-	3,545.78	-	-	-4,181.30	-	-	-635.52
Profit for the year	-	-	-	-	-	26.17	-	-	26.17
Other comprehensive income	-	-	-	-	-	-	-	9.01	-
Total other comprehensive income for the year	-	-	-	-	-	26.17	-	9.01	26.17
Transactions with owners in their capacity as owners:									
Issue of Convertible Preference Shares	-	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-	-
Forfeiture of share options	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	-	3,545.78	-	-	-4,155.13	-	-	-609.35

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

1 General Information

Coastal Projects Limited ("the Company", "CPL") was incorporated as a private limited company in 1995 and converted into Public Company in 2010. The Company specialises in Underground excavation works of Hydro Electric Projects, Underground Power House Complexes, Rail Tunnels, Water Carriage Tunnels, Shafts, Buildings, Electricals, Road works, etc.

The lenders (banks and financial institutions) of the Company had agreed to a Corporate Debt Restructuring (CDR) scheme as of 31 July, 2013 ("Cut-off date"). Accordingly, the Company and the lenders had entered into a Master Restructuring Agreement dated 29 March, 2014 and further amended vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014. The package envisages, restructuring of borrowings (term loans and equipment loans). The excess drawing in the working capital has been converted into Working Capital Term Loans (WCTL 1 and 2) and the interest from 31 July, 2013 ("Cutoff date") to 30 June, 2015 has been converted into Funded Interest Term Loan (FITL). The financial statements have been prepared after giving effect to the restructuring package.

The company is executing large government and quasi-government projects. Due to non-availability of need based working capital from the customers and due to the delay by the lenders in compliance with the requirements of CDR, the Company could not meet the envisaged turnaround in the operations during the year ended 31 March, 2016. The lenders have therefore invoked Strategic Debt Restructuring Scheme (SDR) on 25 July, 2015 as reference date. Accordingly it was proposed to convert ₹ 2,120.00 million of debt in to equity. The Strategic Debt Restructuring (SDR) scheme was implemented by super majority of lenders by converting debt of ₹ 1,805.13 million at par value of ₹ 10 each per share, thereby holding 54.55% stake in the company. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18. Based on the above, these financial statements have been prepared on a going concern basis.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements**(a) Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2017 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

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

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

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

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period
Plant & Machinery	12 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property, plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions**(a) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

2.6 Revenue Recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

(a) Recognition of contract revenue and expenses:

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the percentage of costs incurred to date to estimated total costs for each contract. (With respect to only engineering contracts, it is being measured with man hours utilised basis). Revenue is only recognised when total contract value can be measured reliably, it is probable that the economic benefits associated with the contract will flow to the entity, the costs to complete the contract can be measured reliably and contract costs incurred can be clearly identified as being attributable to each contract. Change orders resulting in variations in the scope of work or claims that the Company seeks to collect from its customers due to customer-caused delays or excessive increase in costs are recognised as a change in the contract value to the extent it is probable that they will result in revenue and they are capable of being reliably measured. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in the Statement of Profit and Loss.

Pre-contract costs are expensed as incurred.

(b) Accounting for Claims:

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as contract revenue on receipt of favourable award.

(c) Income from Equipment Hire charges:

Revenue from equipment hire charges is recognised based on terms of contracts of equipment.

(d) Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists. Interest income on deposits/loans is recognized on accrual basis.

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

2.8 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.9 Leases**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.10 Inventories

Stock of construction material, fuel oil, lubricants, stock of traded goods, consumable stores and spare parts at sites is valued at lower of cost (determined on weighted average basis) and net realisable value.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.11 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets are impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.12 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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 recognized as a finance cost.

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

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

2.13 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.14 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

(a) Financial assets**(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss. The Company has currently exercised irrevocable option to classify its investment in equity instruments of PQR Private Limited. Other than this no other equity instrument qualifies definition of financial asset in case of the Company.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

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

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan 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. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.16 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.18 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

2.19 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty 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 years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, 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.

(a) Taxes:

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation (Refer Note 37).

(b) Defined benefit plans (gratuity benefits and leave encashment):

The cost of the defined benefit plans such as gratuity and leave encashment 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 year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis (refer Note 43).

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Amendments to Ind AS 7, Statement of Cash Flows and Ind AS 102, Share-based Payment

On 17th March 2017, MCA has notified amendments to Companies (Indian Accounting Standards) Rules, 2015 to keep Ind AS consistent with the amendments made to International Financial Reporting Standards (IFRS) in order to maintain convergence. The amendment relates to Ind AS 7, *Statement of Cash Flows*, and Ind AS 102, *Share-based Payment* and are effective from 1 April 2017. Key amendments are as follows

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(a) **Ind AS 7, Statement of Cash Flows**

Additional disclosures to be made for changes in liabilities arising from financing activities to improve information provided to users of financial statements, on account of:

- a. Non-cash changes (i.e. changes in fair values), changes resulting from acquisitions and disposals of subsidiaries/businesses and the effect of foreign exchange differences; and
- b. Cash flows, such as drawdowns and repayment of borrowings.

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) **Ind AS 102, Share-based Payment**

The amendments relate to:

- a. Measurement of cash-settled share-based payments;
- b. Classification of share-based payments settled net of tax withholdings; and
- c. Accounting for a modification of a share-based payment from cash-settled to equity-settled.

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2017, together with the comparative year data as at and for the year ended 31 March 2016, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) **Deemed Cost**

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) **Compound financial instruments**

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32, Financial Instruments: Presentation, retrospectively to split the liability and equity components of the instrument.

5.2 Mandatory Exemption on first-time adoption of Ind AS(a) **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) FVTPL - debt securities
- (iii) FVTOCI - debt securities

(b) **Derecognition of financial assets and financial liabilities**

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) **Classification and measurement of financial assets**

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of equity as at date of transition 1 April 2015

	Indian GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	4,990.39	-	4,990.39
Capital work-in-progress	226.63	-	226.63
Investment property	-	-	-
Intangible assets	0.01	-	0.01
Intangible asset under development	-	-	-
Financial assets	-	-	-
Investments	1,598.85	-	1,598.85
Loans	1,295.94	-	1,295.94
Other financial assets	2,290.53	-	2,290.53
Deferred tax asset (net)	1,716.16	-	1,716.16
Other non-current assets	4,130.80	-	4,130.80
Total non-current assets	16,249.31	-	16,249.31
Current assets			
Inventories	11,291.85	(0.01)	11,291.85
Financial assets			
Investments	-	-	-
Trade receivables	11,313.15	-	11,313.15
Cash and cash equivalents	213.48	-	213.48
Bank balances other than above	264.72	-	264.72
Loans	3,851.39	-	3,851.39
Other financial assets	10.10	-	10.10
Current tax assets (net)	314.23	-	314.23
Other current assets	8,960.18	0.01	8,960.19
Total current assets	36,219.10	0.00	36,219.11
Total assets	52,468.41	0.00	52,468.42
EQUITY AND LIABILITIES			
Equity			
Equity share capital	191.63	-	191.63
Other equity	3,566.59	(1.56)	3,565.03
Total equity	3,758.22	(1.56)	3,756.67
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	24,007.35	-	24,007.35
Employee related payable	-	-	-
Provisions	17.08	-	17.08
Other non-current liabilities	445.79	1.56	447.35
Total non-current liabilities	24,470.22	1.56	24,471.77
Current liabilities			
Financial liabilities			
Borrowings	15,626.12	-	15,626.12
Trade payables	2,523.52	-	2,523.52
Other financial liabilities	-	-	-
Other current liabilities	6,081.73	0.01	6,081.74
Provisions	8.60	-	8.60
Current tax liabilities (net)	80.05	-	80.05
Total current liabilities	24,320.02	0.01	24,320.03
Total liabilities	48,790.24	1.57	48,791.80
Total equity and liabilities	52,548.46	0.01	52,548.47

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

(b) Reconciliation of equity as at 31 March 2016

	Indian GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	3,747.61	-	3,747.61
Capital work-in-progress	-	-	-
Investment property	-	-	-
Intangible assets	0.01	-	0.01
Intangible asset under development	-	-	-
Financial assets	-	-	-
Investments	2,040.29	-	2,040.29
Loans	1,160.08	-	1,160.08
Other financial assets	1,706.70	-	1,706.70
Deferred tax asset (net)	2,082.55	-	2,082.55
Other non-current assets	4,661.44	-	4,661.44
Total non-current assets	15,398.68	-	15,398.68
Current assets			
Inventories	13,450.73	0.00	13,450.73
Financial assets	-	-	-
Investments	-	-	-
Trade receivables	12,382.78	-	12,382.78
Cash and cash equivalents	380.38	-	380.38
Bank balances other than above	15.05	-	15.05
Loans	3,406.54	-	3,406.54
Other financial assets	2.52	-	2.52
Current tax assets (net)	397.33	-	397.33
Other current assets	8,727.34	-	8,727.34
Total current assets	38,762.67	0.00	38,762.67
Total assets	54,161.35	0.00	54,161.35
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3,309.36	-	3,309.36
Other equity	(634.10)	(1.42)	(635.52)
Total equity	2,675.26	(1.42)	2,673.83
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23,212.78	(0.01)	23,212.77
Employee related payable	-	-	-
Provisions	16.98	-	16.98
Other non-current liabilities	790.18	-	790.18
Total non-current liabilities	24,019.95	(0.01)	24,019.94
Current liabilities			
Financial liabilities			
Borrowings	16,933.45	-	16,933.45
Trade payables	2,515.75	-	2,515.75
Other financial liabilities	-	-	-
Other current liabilities	8,008.93	1.49	8,010.42
Provisions	7.96	-	7.96
Current tax liabilities (net)	-	-	-
Total current liabilities	27,466.09	1.49	27,467.59
Total liabilities	51,486.05	1.48	51,487.53
Total equity and liabilities	54,161.31	0.06	54,161.36

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

(c) Reconciliation of profit or loss for the year ended 31 March 2016

	Indian GAAP*	Adjustments	Ind AS
Income			
Revenue from operations	10,417.36	-	10,417.36
Other income	126.03	0.00	126.03
Total income	10,543.39	0.00	10,543.39
Expenses			
Cost of material consumed	3,880.01	-	3,880.01
Purchase of Stock-in-trade	-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2,429.19)	0.00	(2,429.19)
Employee benefit expense	930.20	-	930.20
Finance costs	3,907.68	-	3,907.68
Depreciation and amortization expense	1,526.06	-	1,526.06
Other expenses	6,010.00	(0.14)	6,009.86
Total expenses	13,824.76	(0.14)	13,824.62
Profit /(Loss) before exceptional items and tax	(3,281.37)	0.15	(3,281.23)
Exceptional items	-	-	-
Profit /(Loss) before tax	(3,281.37)	0.15	(3,281.23)
Income tax expense			
Current tax	(26.88)	-	(26.88)
Deferred tax	(366.39)	-	(366.39)
Total income tax expense	(393.27)	-	(393.27)
Loss for the year	(2,888.10)	0.15	(2,887.95)
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains/ (losses) on defined benefit plans	-	3.97	3.97
Income tax effect	-	1.96	1.96
Total other comprehensive income for the year	(2,888.10)	6.08	(2,882.01)

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	As at 1 April 2016	As at 1 April 2015
Shareholder's equity as per Indian GAAP audited financial statements	2,675.26	3,758.22
<u>Adjustment</u>		
(i) Reversal of lease equalization reserve	(1.56)	(1.56)
Total Adjustment	(1.56)	(1.56)
Shareholder's equity as per Ind AS	2,673.70	3,756.66

(e) Reconciliation of total comprehensive income for the year ended 31 March 2016

	As at 1 April 2016
Loss as per Indian GAAP	(2,888.10)
<u>Adjustment</u>	
(i) Gratuity actuarial gain/loss	5.94
(ii) Rent equalisation reverse	0.14
Total	6.08
Loss as per Ind AS	(2,882.01)

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(f) Notes to first-time adoption

(i) Lease equalization reserve

Under Indian GAAP, the Company has recognized lease equalization reserve as on 31 March 2016 amounting to ` Nil (1 April 2015: ` 1.56 Million) due to straight-line impact. In contrast, Ind AS 17, Leases, requires lease payments to be recognized on straight-line basis if the increase is not in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The Company has lease agreements with an escalation clause which in line with expected general inflation, and hence no straight-lining of the lease payments have been done in Ind AS. Consequently, lease equalization reserve has been decreased with a corresponding adjustment in retained earnings as of 1 April 2015 by ` 0.08 Million and Rent expense during the year ending 31 March 2016 ` 0.11 Million.

(ii) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended 31 March 2016 is reduced by [` 5.94 Million] and re-measurement gains/ losses on defined benefit plans of the corresponding amount has been recognized in the OCI, net of taxes.

(iii) Other comprehensive income

The concept of Other Comprehensive Income (OCI) did not exist under Indian GAAP. Also refer point (iii) above.

(iv) Statement of cash flows

No material impact on transition from Indian GAAP to Ind AS on the statement of cash flows.

COASTAL PROJECTS LIMITED

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

6 Property, plant and equipment

	Gross block			Depreciation			Net block	
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	As at 31 March 2017	As at 31 March 2016
Owned assets								
Leasehold Improvement	-	-	-	-	-	-	-	-
Land - freehold	18.83	-	-	18.83	-	-	18.83	18.83
Buildings	66.61	-	-	66.61	28.81	1.71	36.09	37.80
Plant and Machinery	10,544.10	52.12	900.06	9,696.16	7,438.37	781.95	2,236.58	3,105.73
Construction Vehicles	1,853.95	59.81	110.51	1,803.24	1,631.81	72.52	203.47	222.13
Transport Vehicles	356.44	2.20	16.24	342.39	306.76	34.97	15.50	49.68
Furniture and Fixtures	62.10	1.23	-	63.33	46.08	4.82	12.42	16.01
Office Equipment	87.75	1.63	0.15	89.22	79.80	3.21	6.30	7.95
Computers	43.29	0.86	-	44.14	40.94	0.36	2.84	2.35
Temporary Structures	2,411.62	6.96	0.04	2,418.54	2,124.49	177.14	116.95	287.13
Server	-	-	-	-	-	-	-	-
Total	15,444.69	124.81	1,027.00	14,542.46	11,697.06	1,076.68	2,648.98	3,747.61
	Gross block			Depreciation			Net block	
	As at 1 April 2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	As at 31 March 2016	As at 1 April 2015
Owned assets								
Leasehold Improvement	-	-	-	-	-	-	-	-
Land - freehold	18.83	-	-	18.83	-	-	18.83	18.83
Buildings	66.61	-	-	66.61	27.02	1.79	37.80	39.59
Plant and Machinery	10,496.86	47.24	-	10,544.10	6,385.50	1,052.87	3,105.73	4,111.36
Construction Vehicles	1,851.90	2.05	-	1,853.95	1,519.62	112.19	222.13	332.28
Transport Vehicles	358.65	3.68	5.90	356.44	285.98	25.74	49.68	72.67
Furniture and Fixtures	60.59	1.55	0.05	62.10	39.49	6.62	16.01	21.10
Office Equipment	86.64	1.19	0.08	87.75	72.40	7.47	7.95	14.24
Computers	42.80	0.49	-	43.29	40.13	0.81	2.35	2.67
Temporary Structures	2,183.78	231.48	3.64	2,411.62	1,806.13	318.57	287.13	377.65
Server	-	-	-	-	-	-	-	-
Total	15,166.66	287.68	9.67	15,444.69	10,176.27	1,526.06	3,747.61	4,990.39

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

7 Intangible assets

	Gross block				Depreciation			Net block	
	As at 1 April 2016	Additions - being internally developed	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at 31 March 2017
Computer Software	7.51	-	-	-	7.51	7.50	-	-	0.01
Intangible asset under development	-	-	-	-	-	-	-	-	-
Total	7.51	-	-	-	7.51	7.50	-	-	0.01

	Gross block				Depreciation			Net block	
	As at 1 April 2015	Additions - being internally developed	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	Deductions/ Adjustments	As at 31 March 2016
Computer Software	7.51	-	-	-	7.51	7.50	-	-	0.01
Intangible asset under development	-	-	-	-	-	-	-	-	-
Total	7.51	-	-	-	7.51	7.50	0.00	0.00	0.01

8 Financial Assets- Investments

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment in equity instrument designated as at fair value through OCI (fully paid)			
Unquoted equity shares			
i. 94,786,900 (31 March 2016: 94,786,900, 1 April 2015: 94,786,900) equity shares of ₹10 each fully paid-up in Jal Power Corporation Limited (refer note 8.1 & 8.2)	1,016.20	1,016.20	1,016.20
ii. 10,000 (31 March 2016: 10,000, 1 April 2015: 10,000) equity shares of ₹10 each fully paid-up in Ujjawala Power Private Limited (refer note 8.3)	0.10	0.10	0.10
iii. 10,000 (31 March 2016: 10,000, 1 April 2015: 10,000) equity shares of ₹10 each fully paid-up in Para Hydro Power Private Limited	0.10	0.10	0.10
iv. 10,000 (31 March 2016: 10,000, 1 April 2015: 10,000) equity shares of ₹10 each fully paid-up in Rebby Hydro Power Private Limited	0.10	0.10	0.10
v. 10,000 (31 March 2016: 10,000, 1 April 2015: 10,000) equity shares of ₹10 each fully paid-up in Badao Hydro Power Private Limited	0.10	0.10	0.10
vi. 10,000 (31 March 2016: 10,000, 1 April 2015: 10,000) equity shares of ₹10 each fully paid-up in Grandeur Power Projects Private Limited	0.10	0.10	0.10
vii. 10,001 (31 March 2016: 10,001, 1 April 2015: 10,000) equity shares of Euro 1 each fully paid-up in Coastal Transnational Ventures (CY) Limited, Cyprus	843.41	843.41	401.97
viii. 1 (31 March 2016: 1, 1 April 2015: 1) equity shares of Srilankan Rupee 10 each fully paid up in Coastal Lanka (Private) Limited, Srilanka (*valued at Rs.3.94)	-	-	-
ix. 241,908 (31 March 2016: 241,908, 1 April 2015: 241,908) equity shares of Nepalese Rupee 100 each fully paid-up in Nepal Jalabidyut Pravardan Tatha Bikas Limited,	170.00	170.00	170.00
x. 1,018,000 (31 March 2016: 1,018,000, 1 April 2015: 1,018,000) equity shares of ₹10 each fully paid-up in Dharmasala Hydro Power Project Limited	10.18	10.18	10.18
xi. 10,000 (31 March 2016: Nil, 1 April 2015: Nil) equity shares of ₹10 each fully paid-up in Prospecta Infrastructure Private Limited	0.10	-	-
	2,040.39	2,040.29	1,598.85
Current	-	-	-
Non- Current	2,040.39	2,040.29	1,598.85
	2,040.39	2,040.29	1,598.85
Aggregate book value of:			
Quoted investments	2,040.39	2,040.29	1,598.85
Unquoted investments	-	-	-
Aggregate market value of:			
Quoted investments	2,040.39	2,040.29	1,598.85
Unquoted investments	-	-	-
Aggregate amount of impairment in value of Investments	-	-	-

Note:

8.1. 41,436,760 (31 March, 2016: 41,436,760) equity shares have been pledged and 17,824,250 (31 March, 2016: 17,824,250) shares of our subsidiary company Jal Power Corporation Limited are escrowed by L & T Infrastructure Finance Company Limited towards the loan availed by the Company.

8.2. 49,110,750 (31 March, 2016: 49,110,750) equity shares have been pledged with the Power Finance Corporation Limited towards the loan availed by Company's wholly owned subsidiary viz. Jal Power Corporation Limited.

8.3. 10,000 (31 March, 2016: 10,000) equity shares have been pledged with the Hindustan Clean energy Limited (formerly Moser Baer Clean Energy Limited) towards the loan availed by the Company's wholly owned subsidiary viz. Ujjawala Power Private Limited.

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
9 Non-Current Financial assets - Loans			
<u>Unsecured, considered good</u>			
Security deposits	1,164.58	1,160.08	1,295.94
10 Non-Current Financial assets - Others			
Capital advances	606.47	608.12	769.36
Share application money pending allotment	1,011.30	1,011.30	422.84
Receivable from subsidiary (Invocation of corporate guarantee)	-	-	1,029.90
Other deposits	114.41	87.28	68.43
Total	1,732.18	1,706.70	2,290.53
11 Other non-current assets			
Retention money	456.80	434.45	697.95
Interest accrued on bank deposits	4.85	2.00	24.13
Deposit accounts	32.20	61.83	20.00
Margin money deposits	-	-	115.63
Other receivables (net of adjustments) (refer note 44)	4,281.89	4,163.16	3,273.09
Prepaid rent	-	-	-
Total other non-current other assets	4,775.74	4,661.44	4,130.80
12 Inventories*			
Raw material in stock (Valued at lower of cost and net realizable value)	1,879.21	2,496.92	2,767.23
Work in progress in stock (Valued at lower of cost and net realizable value)	12,830.89	10,953.81	8,524.62
	14,710.09	13,450.73	11,291.85
*Hypothecated as charge against short term-borrowings.			
13 Trade receivable (refer note 44)			
Secured, considered good	-	-	-
Unsecured			
-Considered good	16,875.39	12,382.78	11,313.15
-Considered doubtful	-	-	-
Less : Allowance for bad and doubtful debts	-	-	-
	16,875.39	12,382.78	11,313.15
Further classified as:			
Receivable from related parties	1,865.70	1,239.41	1,209.31
Receivable from others	15,009.69	11,143.37	10,103.84
	16,875.39	12,382.78	11,313.15
14 Cash and bank balances			
<u>Cash and cash equivalents</u>			
Balances with banks			
On current accounts	268.60	367.50	198.97
Cash on hand	13.47	12.88	14.51
Total cash and cash equivalents	282.07	380.38	213.48
<u>Specified bank notes (SBNs):</u>			
Particulars	SBNs	Others	Total
Closing cash in hand as on 8 November 2016	2.15	5.14	7.29
Add: Permitted receipts	0.50	3.39	3.89
Less: Permitted payments	1.15	3.54	4.69
Less: Amount deposited in banks	1.50	-	1.50
Closing cash in hand as on 30 December 2016	-	4.99	4.99

The Company has maintained a memorandum cash book, the company has provided relevant disclosures as required under Notification No. G. S.R. 307(E) and Notification No. G.S.R. 308(E) dated 30 March, 2017.

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
15 Bank balances other than Cash and cash equivalent			
In deposit with Bank	48.11	15.05	264.72
	<u>48.11</u>	<u>15.05</u>	<u>264.72</u>
16 Current Financial assets - Loans	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Unsecured, considered good			
Security deposit	270.46	116.56	11.17
Loans and advances to related parties-Joint ventures	271.03	258.21	258.21
Loans and advances to related parties-Others	1.22	198.23	184.01
Loans and advances to employees	45.41	54.55	19.39
Prepaid expenses	21.80	22.67	24.10
Works contract tax receivable	291.56	302.38	294.02
Advance to suppliers, sub-contractors and others (refer note 46)	1,748.36	1,715.78	2,363.38
Mobilisation advance to sub-contractors	576.15	523.29	466.38
Earnest money deposits	213.94	214.87	230.73
	<u>3,439.93</u>	<u>3,406.54</u>	<u>3,851.39</u>
17 Current Financial assets - Others	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Interest accrued on fixed deposits	1.84	2.52	10.10
	<u>1.84</u>	<u>2.52</u>	<u>10.10</u>
18 Current tax assets	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Advance income tax (net of provisions amounting NIL (31 March 2016: [` Nil], 1 April 2015: [` 483.49 Million]))	339.11	397.33	314.23
	<u>339.11</u>	<u>397.33</u>	<u>314.23</u>
19 Other current assets (refer note 44)	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Unbilled revenue	7,691.93	8,624.43	8,880.39
Interest accrued on Deposits -Others	84.87	84.87	61.75
Other receivables	18.05	18.05	18.05
Total	<u>7,794.85</u>	<u>8,727.34</u>	<u>8,960.19</u>

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

20 Equity share capital

The Company has only one class of equity share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

Authorized

[600,000,000 No. of shares] (31 March 2016: 600,000,000, 1 April 2015: 600,000,000)

Equity Shares of ₹ 10 each

31 March 2017	31 March 2016	1 April 2015
600.00	600.00	600.00
600.00	600.00	600.00

Issued, subscribed and paid up

[330,935,600] (31 March 2016: 330,935,600, 1 April 2015: 19,163,468)

equity shares of ₹ 10 each fully paid

Total

3,309.36	3,309.36	191.63
3,309.36	3,309.36	191.63

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

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	330.94	3,309.36	19.16	191.63
Add: Issued during the year	-	-	311.78	3,117.73
Outstanding at the end of the year	330.94	3,309.36	330.94	3,309.36

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company Name of the shareholder

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Tunnel Holdings India Limited	39,013,029	11.79%	39,013,029	11.79%	2,222,026	11.60%
Mr. S. Surendra	34,063,305	10.29%	34,063,305	10.29%	4,248,687	22.17%
Fidelity India Ventures	30,235,097	9.14%	30,235,097	9.14%	1,680,652.00	8.77%
Sequoia Capital India Growth Investment I	28,227,762	8.53%	28,227,762	8.53%	1,084,523	5.66%
State Bank of India	25,857,505	7.81%	25,857,505	7.81%	-	-
ICICI Bank	24,835,760	7.50%	24,835,760	7.50%	-	-
Punjab National Bank	22,085,152	6.67%	22,085,152	6.67%	-	-
Axis Bank	19,000,617	5.74%	19,000,617	5.74%	-	-

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

21 Other equity

(A) The Company has preference share capital having a par value of INR 10 per share, referred to herein as preference share capital.

Authorized

[150,000,000] (31 March 2016: 150,000,000, 1 April 2015: 150,000,000)

Convertible Preference Shares of ₹ 10 each

31 March 2017	31 March 2016	1 April 2015
1,500.00	1,500.00	1,500.00
1,500.00	1,500.00	1,500.00

Issued, subscribed and paid up

[Nil] (31 March 2016: Nil, 1 April 2015: 133,089,346) Convertible

Preference Shares of ₹ 10 each

Total

-	-	1,330.89
-	-	1,330.89

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(i) Reconciliation of preference shares outstanding at the beginning and at the end of the year*

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	133.09	1,330.89
Add: Issued during the year	-	-	(133.09)	(1,330.89)
Outstanding at the end of the year	-	-	-	-

(ii) Rights, preferences and restrictions attached to shares and terms of convertible preference shares

The Company has number of Compulsorily Convertible Preference Shares (CCPS) having face value of ` 10 each as on 31st March, 2015. According to the terms of issue, 131,241,104 number of CCPS will be converted into 131,241,104 number of equity shares of ` 10 each per share within one year from the date of allotment. 1,848,242 number of CCPS will be converted into 17,866 equity shares of ` 10 each at a premium of ` 1,024.50 per share at the end of fifth year, i.e. March 2019, subject to the approval of the lenders to the Company. However, pursuant to the consent of the Board of Directors of the Company in the meeting held on 28th October, 2015, the entire CCPS has been converted into equity shares at value as described supra.

(iii) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(iv) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

	31 March 2017	31 March 2016	1 April 2015
(B) Securities premium reserve (SPR)*			
Opening balance	3,545.78	3,527.48	3,527.48
Add : Securities premium credited on share issue	-	18.30	-
Closing balance	3,545.78	3,545.78	3,527.48

*SPR record premium on issue of shares to be utilized in accordance with the Act.

(C) Surplus/(deficit) in the Statement of Profit and Loss

	31 March 2017	31 March 2016	1 April 2015
Opening balance	(4,181.30)	(1,293.34)	2,643.55
Add: Profit/(loss) for the current year	26.17	(2,887.96)	(3,911.92)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	-	(24.97)
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	-	-	-
Closing balance	(4,155.13)	(4,181.30)	(1,293.34)
Total other equity	(609.35)	(635.52)	3,565.03

(D) Others^

	31 March 2017	31 March 2016
-As at beginning of year	5.94	-
-Re-measurement gains/ (losses) on defined benefit plans (net of tax)	9.01	5.94
Closing balance	14.95	5.94

^Includes cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable.

	31 March 2017	31 March 2016	1 April 2015
22 Non-current borrowings			
Secured from bank term loan	21,022.52	23,212.77	24,007.35
Other loans - Unsecured	1,810.00	-	-
	22,832.52	23,212.77	24,007.35

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.1 Term Loans (TL) / Equipment loans / Buyers credit:

Pursuant to the Corporate Debt Restructuring (CDR) scheme approved vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the Corporate Debt Restructuring (CDR) Cell, the Term Loans, Equipment loans and Buyers credit are restructured and the following lenders have been classified as CDR and Non - CDR lenders. Further, RBI issued circular providing for conversion of debt into equity under the Strategic Debt Restructuring (SDR) scheme. The lenders in their joint meeting held on 25 July, 2015 proposed to convert ` 2,120.00 million of debt into equity. SDR was implemented with super majority. Cumulatively the lenders have converted debt of ` 1,805.13 million into equity. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18.

CDR / SDR Lender	Non -CDR / SDR Lender
Andhra Bank	YES Bank Limited
Axis Bank Limited	Tata Motors Finance Limited.
Bank of Baroda	Siemens Financial Services Private Limited,
Bank of Maharashtra	Shriram Equipment Finance Company Limited.
Canara Bank	Phoenix ARC Private Limited
Central Bank of India	India Bulls Finance Limited
Corporation Bank	IDFC Bank Limited
Export Import Bank of India	Bajaj Finance Limited
ICICI Bank Limited	
IDBI Bank Limited	
IFCI Limited	
IndusInd Bank Limited	
Kotak Mahindra Bank Limited	
Karur Vysya Bank	
L&T Infrastructure Finance Company Limited	
Oriental Bank of Commerce	
Punjab National Bank	
South Indian Bank Limited	
State Bank of India	
State Bank of Mauritius	
Tata Capital Financial Services Limited	
Aditya Birla Finance Limited	
Standard Chartered Bank	
Dhana Lakshmi Bank	

23.2 Pursuant to the Corporate Debt Restructuring (CDR) scheme, all long-term borrowings except 14.38% Compulsory Convertible Debentures to IDFC Limited and priority debt carries rate of interest at 2.25% above SBI base rate (effective 11.55% p.a).

23.3 Pursuant to the Corporate Debt Restructuring (CDR) scheme, Term loans, equipment loans and buyers credit loans are to be repaid after a moratorium period of 23 months from 31 July, 2013 (cut-off date) in 31 / 21 structured quarterly instalments.

23.4 Pursuant to the Strategic Debt Restructure (SDR) scheme, some lenders have stopped charging the interest on the loans outstanding from the reference date i.e, 25th July, 2015 the difference between the theoretical calculation and the confirmation/statement of the account received from the lenders upto 31.03.2017 to the extent of ` 2,167.88 millions (31 March,2016: ` 1,198.26 millions) has been disclosed as contingent liability (refer note 38).

23.5 Nature of security and terms of repayment for secured borrowings:

23.5 (a). All Term Loans(TL/Equipment Loans/FITL/BCTL/WCTL) are secured / to be secured by:
1. A first pari passu charge on the fixed assets of the Company's movable and immovable properties both present and future for all term loans other than Corporate guarantee term loan (CGTL) and such term loans having exclusive charge on certain assets.
2. A second pari passu charge on all the Current Assets both present and future of the Borrower for all term loans other than CGTL.
3. The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to respective Lenders.
4. In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the Company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5. In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6. Pledge of shares of certain subsidiaries / associates and relatives of the chairman.
7. Personal guarantees of Chairman and Managing Director for all facilities under CDR.
8. Pledge of 100% unencumbered equity shares of the Company owned by the promoters' / group companies in favour of CDR lenders.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.5 (b). Additional Security for the term loans include:

Particulars
1. Loan from Axis Bank, Kotak Mahindra Bank Limited, The Karur Vysya Bank Limited, South India Bank Limited and IDBI Bank Limited is secured by Mortgage of property held by third parties, relatives and friends of the Chairman.
2. Loan from ICICI Bank is secured by hypothecation of identified equipment's and collateral security in the form of fixed deposit.
3. Loan from Siemens Financial Services Private Limited are secured by way of exclusive charge on the machinery identified.
4. Loan from Aditya Birla Finance Limited, L&T Infrastructure Finance Company Limited, Tata Capital Financial Services Limited, IFCI Limited and CDR lenders are secured by pledge of equity shares of the Company held by promoters and his relatives.
5. Corporate guarantee term loan from Export Import Bank of India (EXIM Bank) is secured by pledge of shares held by Company in Coastal Transnational Ventures (CY) Limited.
6. Loan from L&T Infrastructure Finance Company Limited are secured by way of pledge of 41,436,760 (31 March, 2016: 41,436,760) equity shares held by the Company in Jal Power Corporation Limited.
7. Loan from EXIM Bank is secured by :
a) Mortgage of property held by Selection Aluminium Wires Private Limited, Humming Bird Soft Solutions Private Limited and relatives of Chairman.
b) Undertaking regarding non-disposal of shareholding by the Company in Nepal Jalabidyut Pravardan Tatha Bikas Limited, the Company had sold 50% of its shareholding.

No. CDR (PMU) No 71/2014-15 dated 28 April, 2014, further amended by the order dated 28 April, 2014. Working capital loans and Cash credits carry rate of interest at 2.25% above SBI base rate (effective 11.55% p.a) and has a moratorium period of 11 months from 31 July, 2013 (cut off date).

23.5 (d). Working Capital loans are secured / to be secured by:

Particulars
1. A First pari passu charge on the Current Assets, both present and future of the Company.
2. A Second pari-passu charge on the fixed assets of the Company's movable and immovable properties both present and future.
3. The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to the respective lenders.
4. In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5. In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6. Pledge of shares of certain subsidiaries / associates and relatives of the chairman.
7. Personal guarantees of Chairman and Managing Director for all facilities under CDR.
8. Pledge of 100% unencumbered equity shares of the Company owned by the promoters in favour of CDR lenders.

23.5 (e). Working Capital loans are additionally secured by:

Particulars
1. Loan from Axis Bank Limited, Bank of Maharashtra, and State Bank of India are secured by mortgage of certain property held by friends / relatives of the Chairman.
2. Loan from Oriental Bank of Commerce is secured by mortgage of Office Building of the Company and certain property held by relative of the Chairman and Collateral Security in the form of fixed deposits.
3. Loan from Punjab National Bank, State Bank of India are secured by way of Collateral Security in the form of fixed deposits of the Company.

23.5 (f). The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	Period of Default As at 31 March 2017	Amount (` in Million)	Period of Default As at 31 March 2016	Amount (` in Million)
From banks				
Interest	1-670 Days	1,384.65	1-305 Days	1,192.19

23.5 (g). Security terms for Buyers' credit loans - refer notes 23.5 (d) & 23.5 (e).

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.6 Details of repayment terms of the term loans are:

23.6 (a) From Banks - secured

S No	Particulars	Number of outstanding Loans As at		Outstanding balance As at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Axis Bank Limited	5	5	2,617.59	2,333.85	21 to 31	21 to 31	April, 2015 to March, 2023
2	ICICI Bank Limited	9	9	3,982.03	3,624.41	21 to 31	21 to 31	April, 2015 to March, 2023
3	Kotak Mahindra Bank Limited	1	1	281.70	281.70	31	31	July, 2015 to March, 2023
4	South Indian Bank Limited	4	4	1,079.09	964.11	21 to 31	21 to 31	April, 2015 to March, 2023
5	The Karur Vysya Bank Limited	3	3	276.77	302.17	21 to 31	21 to 31	April, 2015 to March, 2023
6	Central Bank of India	3	3	794.65	725.01	21 to 31	21 to 31	April, 2015 to March, 2023
7	Andhra Bank	4	4	327.91	293.75	21 to 31	21 to 31	April, 2015 to March, 2023
8	Bank of Maharashtra	3	3	990.22	922.37	21 to 31	21 to 31	April, 2015 to March, 2023
9	Bank of Baroda	3	3	162.99	151.09	21 to 31	21 to 31	April, 2015 to March, 2023
10	Canara Bank	3	3	311.93	279.66	21 to 31	21 to 31	April, 2015 to March, 2023
11	Corporation Bank	3	3	126.77	113.83	21 to 31	21 to 31	April, 2015 to March, 2023
12	ING Vysya Bank Limited	4	4	44.89	45.67	21 to 31	21 to 31	April, 2015 to March, 2023
13	Oriental Bank of Commerce	4	4	1,071.07	972.13	21 to 31	21 to 31	April, 2015 to March, 2023
14	Punjab National Bank	4	4	1,854.97	1,854.97	21 to 31	21 to 31	April, 2015 to March, 2023
15	State Bank of Hyderabad	3	3	458.26	413.77	21 to 31	21 to 31	April, 2015 to March, 2023
16	State Bank of India	4	4	1,182.27	1,137.56	21 to 31	21 to 31	April, 2015 to March, 2023
17	State Bank of Mauritius	2	2	52.09	46.51	21 to 31	21 to 31	April, 2015 to March, 2023
18	State Bank of Travancore	4	4	931.11	844.82	21 to 31	21 to 31	April, 2015 to March, 2023
19	IDBI Bank Limited	8	8	1,363.39	1,209.02	21 to 31	21 to 31	April, 2015 to March, 2023
20	State Bank of Bikaner & Jaipur	4	4	47.37	42.71	21 to 31	21 to 31	April, 2015 to March, 2023
21	Indus Ind Bank Limited	1	1	637.81	560.73			
Total				*18,594.88	*17,119.82			

* Includes current portion of ₹ 4,480.82 million (31 March, 2016: ₹ 2,001.71)

23.6 (b) From Others - secured

S No	Particulars	Number of outstanding Loans As at		Outstanding balance As at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Aditya Birla Finance Limited	2	2	622.63	626.99	31	31	July, 2015 to March, 2023
2	Export Import Bank of India	5	5	1,788.45	1,598.28	21 to 31	21 to 31	April, 2015 to March, 2023
3	L&T Infrastructure Finance Limited	7	7	1,634.71	1,634.87	21 to 31	21 to 31	April, 2015 to March, 2023
4	Siemens Financial Services Private Limited	1	1	113.66	129.66	31	31	July, 2015 to March, 2023
5	Tata Capital Financial Services Limited	3	3	896.95	896.95	31	31	July, 2015 to March, 2023
6	IFCI Limited	2	2	905.85	905.85	21 to 31	21 to 31	April, 2015 to March, 2023
Total				*5,962.25	*5,792.60			

* Includes current portion of ₹ 1,295.60 million (31 March, 2016: ₹ 623.34)

23.7 Details of repayment terms of Equipment loans are :

23.7 (a) From Banks:

S No	Particulars	Number of outstanding Loans As at		Outstanding balance as at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Axis Bank Limited	1	1	57.71	51.48	31	31	July, 2015 to March, 2023
2	Bank of Bahrain and Kuwait	0	1	-	43.95	31	31	July, 2015 to March, 2023
3	Central Bank of India	1	1	66.77	60.83	31	31	July, 2015 to March, 2023
4	ICICI Bank Limited	1	1	139.70	127.27	31	31	July, 2015 to March, 2023
Total				*264.18	*283.53			

* Includes current portion of ₹ 52.84 million (31 March, 2016: ₹ 67.91 million)

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

23.7 (b) From Others:

S No	Particulars	Number of outstanding Loans As at		Outstanding balance as at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Bajaj Auto Finance Limited	1	1	7.50	7.50	31	31	July, 2015 to March, 2023
2	India bulls Financial Services Limited	1	1	8.50	19.92	31	31	July, 2015 to March, 2023
3	Phoenix ARC Private Limited	1	1	233.25	233.25	31	31	July, 2015 to March, 2023
4	Reliance Capital Limited	1	1	51.00	-	36	36	May, 2017 to April, 2020
5	Shriram Equipment Finance Company Limited	1	1	98.77	103.12	31	31	July, 2015 to March, 2023
6	SREI Equipment Finance Limited	0	1	-	1,281.59	31	31	July, 2015 to March, 2023
7	Tata Capital Financial Services Limited	1	1	44.39	44.39	31	31	July, 2015 to March, 2023
8	Tata Motor Finance Limited	1	1	30.64	40.73	31	31	July, 2015 to March, 2023
	Total			*474.04	*1,730.50			

* Includes current portion of ` 414.03 million (31 March, 2016: ` 531.88)

23.8 The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	Period of Default As at 31 Mar 2017	Amount (₹ in Million)	Period of Default As at 31 Mar 2016	Amount (₹ in Million)
Debentures				
Principal	1333 Days	330.00	968 Days	330.00
Interest	16 - 1294 Days	255.07	16 - 929 Days	204.31
Term Loans				
Principal	548 Days	4,675.12	183 Days	2,184.76
Interest	670 Days	3,085.62	305 Days	1,539.60

Note:

Pursuant to the Corporate Debt Restructuring (CDR) scheme principal and interest defaults up to 31 March, 2014 have been rescheduled with respect to CDR

23.9 14.38% Compulsory Convertible Debentures :

a) 1,000 Compulsorily Convertible Debentures ("CCDs") of face value ` 1,000,000 each carrying a coupon rate of 14.38% were issued to IDFC Limited ("IDFC") during 2010-11, which were convertible into 1,254,051 equity shares of ` 10 each at the end of 39 months from the date of issue i.e. 31 March 2011. These debentures are secured by immovable property of the Company and further secured by pledge of 3,385,939 equity shares held by promoters' and personal guarantee of promoters'.

b) As per the amendatory option cum buy back agreement dated 24 May, 2013 entered with IDFC, upon happening of certain events or expiry of a particular timeline, the promoters' had to purchase CCDs at a price with an earning of annualised pre-tax yield equal to the applicable rates compounded monthly on the outstanding investment, as adjusted for monthly interest already paid by the Company ("Put Option Price") from the IDFC. It was further agreed that in the event of failure on the part of the promoters to honour their obligations to purchase the CCDs, the Company is required to buyback the CCDs from IDFC for the price and other terms and conditions set out in option agreement.

c) For year ended 31 March, 2014, IDFC had exercised the Put Option requiring the promoters' to purchase CCDs which was not honoured by them. Further, as required by the amendatory option cum buy back agreement dated 24 May, 2013, the Company could not provide a buy back option within 15 days from the respective Put Option date, due to which IDFC in terms of the conditions laid in the pledge agreement dated 31 March, 2011 invoked 3,385,939 equity shares of ` 10 per share pledged by the promoter's. Accordingly, 3,385,939 pledged equity shares held by the promoters' have been transferred in the name of IDFC Limited on 19 November, 2013.

d) IDFC vide its letter dated 13 November, 2013 to promoters' and the Company regarding pledged 3,385,939 equity shares of ` 10 each, has adjusted ` 670 million by invocation of the pledged shares on 19 November, 2013 which is transferred to extinguish debt and IDFC vide its letter dated 30 April, 2014 has requested the Company to pay the balance ` 330 million and interest amounting ` 170.46 million as at 31 March, 2014.

The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal. Pending settlement of the dispute, the Company had made a provision towards interest accrued and due of ` 101.57 million during the year ended 31 March, 2014, the balance of ` 68.87 million has been disclosed as contingent liability (Refer note 38), and CCD of ` 330 million has been reclassified to Current maturities of Long term debt. In the current year, the Company had made provision for interest in terms of the agreement.

23.10 Term loan from IFCL Limited:

a) Pursuant to the Corporate Debt Restructuring (CDR) Scheme, these 15% Redeemable Debentures outstanding as at reference date i.e. 27 July, 2013 amounting ` 750 million (excluding funded interest term loan) has been further converted into a term loan.

b) IFCL Limited has filed an appeal for recovery on 14 August, 2014 before the Debt Recovery Tribunal, Delhi and claimed an amount of ` 831.17 million towards principal and interest dues as on June 30, 2014 .

c) Pending settlement of the dispute, the Company has recognised the Term loan of ` 734 million and Funded Interest Term Loan (FITL) of ` 84.98 million as per CDR scheme, and the balance of ` 45.26 million (including penal interest from July 2013 to March, 2015) is disclosed as contingent liability (Refer note.38).

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

24 Provisions

	Long term			Short term		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits (Refer note 43)						
Provision for gratuity (unfunded)	9.81	13.83	13.88	2.59	2.70	2.71
Provision for leave encashment (unfunded)	2.87	3.15	3.20	4.46	5.26	5.89
Total Provisions	12.68	16.98	17.08	7.05	7.96	8.60

25 Other non-current liabilities

	31 March 2017	31 March 2016	1 April 2015
Interest accrued but not due	682.79	682.79	364.04
Rent equalization reserve	-	-	1.56
Retention money payable to sub-contractor	105.83	107.39	81.75
Total other long term liabilities	788.62	790.18	447.35

26 Short -term borrowings

	31 March 2017	31 March 2016	1 April 2015
Secured, from bank, term loan *			
Cash Credit	18,342.67	16,883.55	15,626.12
Unsecured Loans:			
from related parties	-	49.90	-
from others	-	-	-
Total short-term borrowings	18,342.67	16,933.45	15,626.12

* for security terms of short term Borrowings - refer notes 23.5 (d) & 23.5 (e).

27 Trade payables

	31 March 2017	31 March 2016	1 April 2015
Total outstanding dues of micro enterprises and small enterprises	0.99	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,320.40	2,515.75	2,523.52
Total trade payables	2,321.39	2,515.75	2,523.52

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act].

Total financial liability	(I+II)	20,664.06	19,449.20	18,149.64
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The disclosure pursuant to the said Act as under:

	31 March 2017	31 March 2016	1 April 2015
Principal amount due to suppliers under MSMED Act	0.99	-	-
Interest accrued and due to suppliers under MSMED Act on the above	0.95	-	-
Payment made to suppliers (other than interest) beyond appointed date during the year	-	-	-
Interest paid to suppliers under MSMED Act	-	-	-
Interest due and payable to suppliers under MSMED Act towards payments already	-	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-	-

This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the company.

28 Other current liabilities

	31 March 2017	31 March 2016	1 April 2015
Current maturities of long-term debt	6,573.28	3,795.95	2,295.04
Statutory due payable	213.30	344.02	637.11
Retention money payable to sub-contractors	332.85	281.37	124.66
Mobilisation advance from customers (net of adjustments)	2,031.13	2,495.18	1,877.41
Machinery advance from customers	249.97	266.92	327.27
Payables on purchase of fixed assets	23.43	29.59	38.10
Interest accrued but not due on borrowings	-	-	138.72
Interest accrued and due on borrowings	484.92	380.35	168.53
Book overdraft in bank current accounts	75.69	2.62	2.04
Rent Equalisation reserve	0.98	1.45	-
Advance from customer	476.14	412.98	472.86
Total other current liabilities	10,461.68	8,010.42	6,081.74

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

29 Revenue from operations	31 March 2017	31 March 2016
Revenue from construction contracts (net)	12,841.98	10,417.36
Total revenue from operations	12,841.98	10,417.36
30 Other income	31 March 2017	31 March 2016
Hire income	26.78	47.00
Interest income		
- on fixed deposits designated as amortized cost	18.93	40.52
- on income taxes	10.43	13.76
Miscellaneous income	78.62	23.97
Gain on sale/disposal of fixed assets	0.47	0.53
Liabilities written back	0.27	0.25
Total other income	135.50	126.03
31 Cost of material consumed	31 March 2017	31 March 2016
Inventory at the beginning of the year	2,496.92	2,767.23
Add: Purchases	3,333.58	3,609.70
Less: Inventory at the end of the year	1,879.21	2,496.92
Cost of raw material consumed	3,951.29	3,880.01
Consumption of stores and spare parts (including secondary packing material)	3,951.29	3,880.01
32 Changes in inventories of finished goods, stock-in-trade and work-in-progress	31 March 2017	31 March 2016
Inventories at the beginning of the year		
-Finished goods	-	-
-Work-in-progress	10,953.81	8,524.62
	10,953.81	8,524.62
Less: Inventories at the end of the year		
-Finished goods	-	-
-Work-in-progress	12,830.89	10,953.81
	12,830.89	10,953.81
Net decrease/ (increase)	(1,877.08)	(2,429.19)
Add: Increase decrease in excise duty on closing stock	-	-
	(1,877.08)	(2,429.19)
33 Employee benefits expense	31 March 2017	31 March 2016
Salaries, wages, bonus and other allowances	898.29	866.21
Contribution to Provident Fund and ESI	18.02	24.66
Gratuity and compensated absences expenses	(5.23)	(0.74)
Employee stock option scheme compensation	-	-
Staff welfare expenses	51.16	40.07
Total employee benefits expense	962.24	930.20
34 Finance costs	31 March 2017	31 March 2016
Interest on borrowing	3,792.99	3,897.25
Interest on delay in payment of taxes	5.72	10.43
Total finance costs	3,798.71	3,907.68
35 Depreciation and amortization expense	31 March 2017	31 March 2016
Depreciation (Refer note 6)	1,075.47	1,526.06
Amortization (Refer note 7)	-	-
Total depreciation and amortization expense	1,075.47	1,526.06

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

36 Other expenses	31 March 2017	31 March 2016
Construction expenses	4,378.67	5,646.90
Rent	8.22	11.57
Insurance	35.62	35.25
Rates and taxes	28.15	117.58
Travel and conveyance	38.80	47.67
Directors' sitting fees	0.06	0.06
Communication, broadband and internet expenses	10.13	9.67
Legal and professional charges*	16.59	51.60
Loss on sale/disposal of fixed assets	1.55	0.06
Foreign exchange fluctuation	0.12	1.20
Miscellaneous expenses	53.57	88.30
Total other expenses	4,571.48	6,009.86

*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

	31 March 2017	31 March 2016
As auditor:		
Statutory audit	5.00	5.00
In other capacity:		
Tax audit	0.20	0.20
Other matters	-	0.06
Total	5.20	5.26

37 Income Tax

(A) Deferred tax relates to the following:

	31 March 2017	31 March 2016
Deferred tax assets		
On property, plant and equipment	648.38	506.73
On provision for employee benefits	6.82	8.63
On disallowance u/s 40A of Income Tax Act, 1961	-	-
On unabsorbed depreciation and carry forward business losses	-	-
Current year losses	-	608.67
Previous year losses	-	-
Unabsorbed depreciation	958.11	958.11
On convertible preference shares	-	-
On others	0.04	0.41
Deferred Tax Asset	1,613.35	2,082.55

The Company has business loss of ` 3,001.95 million (31 March, 2015: ` 3,741.48 million), including unabsorbed depreciation of ` 1,237.38 million (31 March, 2015: ` 1,504.67 million) as at the balance sheet date, computed as per the provisions of the Income Tax Act, 1961. The Company has recognised Deferred Tax Asset on business loss (including unabsorbed depreciation) aggregating to ` 1,568.79 million (31 March, 2015: ` 1,294.85 million) besides deferred tax asset on other timing differences.

During the year 2015-16, the Company had applied for Corporate Debt Restructuring (CDR) and the same was approved by the CDR cell vide its approval letter dated 28 April, 2014. Further, based on RBI circular providing for conversion of debt into equity under the Strategic Debt Restructuring Scheme, lenders on 25 July, 2015 invoked SDR and converted debt of ` 1,805.13million into equity shares at par value of ` 10 each. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18. Based, on the future projections, considered under the SDR Scheme which was taken on record by the Board of Directors and having regard to the present order book position, improvement of future cash flows and profitability, the Company expects to fully realise the deferred tax asset in the near future.

(B) Recognition of deferred tax asset to the extent of deferred tax liability

Balance sheet	31 March 2017	31 March 2016	1 April 2015
Deferred tax asset	1,613.35	2,082.55	1,716.16
Deferred tax liabilities	-	-	-
Deferred tax assets/ (liabilities), net	1,613.35	2,082.55	1,716.16

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

38 Contingent liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
a) Counter guarantees given to banks [includes guarantees given on behalf of Joint Ventures ` 2,298.58 million (31 March, 2016: ` 2,458.83 million)]	9,958.56	10,118.81
b) Corporate guarantees given to banks for financial assistance extended to a joint venture	300.00	300.00
c) Claims against the company not acknowledged as debt:		
Interest on debentures (refer note 23.9(d))	68.87	68.87
Interest on debentures (refer note 23.10)	45.26	45.26
Interest to lenders (refer note 23.4)	2,167.88	1,198.26
Lease rentals	107.27	107.27
Disputed TDS demands	181.56	-
d) Pending litigations		
(i) Certain cases were filed by the below lender/suppliers in respect dishonor of cheques issued for repayment of borrowing including interest/dues		
L&T Infrastructure Finance Company Limited		
Central Bank of India	Amount not ascertainable	Amount not ascertainable
Tata Motors Finance Limited		
Aditya Birla Finance Limited		
Kotak Mahindra Bank Limited		
Reliable Agencies		
(ii) Certain cases were filed by the below lender in respect delay/non-repayment of borrowing including interest		
Central Bank of India		
HDFC Limited		
Bajaj Finance Limited	Amount not ascertainable	Amount not ascertainable
Tata Motors Finance Limited		
Kotak Mahindra Bank Limited		
Export Import Bank Ltd		
IFCI Limited		
(iii) The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal.	Amount not ascertainable	Amount not ascertainable
(iv) The Company is a party to various arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending litigations until the cases are decided by the appropriate authorities.	Amount not ascertainable	Amount not ascertainable
e) Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of project.	Amount not ascertainable	Amount not ascertainable

39 Capital and other commitments

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advances of ` 606.47 million (31 March, 2016: ` 1,631.87)]	-	-
Other commitments		
a) Commitment towards investment in companies [Net of advances of ` 32.01 million (31 March 2016: ` 32.01 million)]	Amounts indeterminate.	Amounts indeterminate.
b) Commitment towards investments in new hydro power companies to be set up in Arunachal Pradesh	Amounts indeterminate.	Amounts indeterminate.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

40: Segment Information

The Company's operations predominantly consist only of construction activities. Hence, there are no reportable segments under Ind AS - 108. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary by the management. Accordingly, there are no other reportable segments.

41: Related Party Disclosures

A) Following is the list of related parties and their relationship:

Subsidiaries	Jal Power Corporation Limited Coastal Lanka Private Limited Coastal Transnational Ventures (CY) Limited Ujjawala Power Private Limited Grandeur Power Projects Private Limited Prospecta Infrastructure Private Limited Badao Hydro Power Private Limited Para Hydro Power Private Limited Rebby Hydro Power Private Limited
Associate	Nepal Jalabidyut Pravardan Tatha Bikas Limited
Joint Ventures (Jointly Controlled Operations):	Nuziveedu - Swathi - Coastal AKR - Coastal Coastal - Srivijetha Aban - Coastal HCC - Coastal Coastal - Patel - Jyothi - CBE CPPL - Chongqing Essar - DEC - CPPL Royal-CPL JV Coastal - TTS GYT - Coastal
Key Management Personnel (KMP):	Mr. S. Surendra -Chairman / Director Mr. G. Hari Hara Rao -Managing Director Mr. Sridhar Nivarthi -Director Mr. Sharad Kumar -Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Selection Aluminium Wires Private Limited Sabbineni Holdings Private Limited Coastal Sirohi Power Limited Humming Bird Soft Solutions Private Limited Siddhi Vinayak Power Generation & Distributors Pvt Limited

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

41: Related Party Disclosures (contd....)

B) Transactions with Related Parties:

Particulars	Relationship	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
Contract revenue			
AKR - Coastal	Joint Venture	206.22	120.67
GYT - Coastal	Joint Venture	344.82	748.99
HCC- Coastal	Joint Venture	1,469.30	918.54
Coastal - TTS	Joint Venture	859.74	1,607.01
CPPL - Chongqing	Joint Venture	-	55.46
Interest free unsecured loan			
Mr. S. Surendra	Key Management Personnel	-	49.90
Allotment of Equity Shares			
Mr. S. Surendra	Key Management Personnel	-	1,312.41
Advances received			
Jal Power Corporation Limited	Subsidiary	-	0.07
Loans and advance given			
Mr. G. Hari Hara Rao	Key Management Personnel	-	-
Grandeur Power Projects Private Limited	Subsidiary	0.55	0.16
Prospecta Infrastructure Private Limited	Subsidiary	0.52	-
Badao Hydro Power Private Limited	Subsidiary	0.01	-
Nuziveedu - Swathi - Coastal	Joint Venture	0.99	1.04
Royal-CPL JV	Joint Venture	12.82	-
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	-	14.07
Loans and Advance Recovered / Adjusted			
Jal Power Corporation Limited	Subsidiary	-	22.21
Nuziveedu - Swathi - Coastal	Joint Venture	1.14	145.56
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	198.07	-
Siddhi Vinayak Power Gen & Dist Pvt Ltd	Companies in which significant influence is exercised	0.14	-
Mobilisation advance received			
Coastal - TTS	Joint Venture	142.59	-
HCC - Coastal	Joint Venture	27.25	25.75
Material advance received			
GYT - Coastal	Joint Venture	106.08	229.97
Material advance Adjusted			
GYT - Coastal	Joint Venture	51.16	481.26
Mobilisation advance repaid / Adjusted			
Jal Power Corporation Limited	Subsidiary	63.36	-
Coastal - TTS	Joint Venture	-	203.70
HCC - Coastal	Joint Venture	126.88	-
GYT - Coastal	Joint Venture	-	100.37
Managerial remuneration*			
Mr. G. Hari Hara Rao	Key Management Personnel	12.80	-
Mr. Sridhar Nivarthi	Key Management Personnel	7.20	-
Mr. Sharad Kumar	Key Management Personnel	7.20	-

*During the year the lenders in the Joint Lenders Forum meeting (JLF) held on 19th September, 2016 has approved the payment of minimum remuneration in according to the provisions of the Companies Act, 2013. Accordingly minimum remuneration has been provided in the year.

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

41: Related Party Disclosures

C) Related Party Balances:

Particulars	Relationship	As at 31 March, 2017	As at 31 March, 2016
Trade receivables			
AKR - Coastal	Joint Venture	206.73	127.63
Coastal - Patel - Jyothi - CBE	Joint Venture	196.34	196.34
HCC - Coastal	Joint Venture	1,327.28	783.37
GYT-Coastal	Joint Venture	133.63	128.80
CPL-TTS	Joint Venture	-	1.55
Essar - DEC - CPPL	Joint Venture	1.73	1.73
Investment in Equity shares			
Jal Power Corporation Limited	Subsidiary	1,016.20	1,016.20
Coastal Lanka Private Limited (*Valued at Rs. 3.94)	Subsidiary	-*	-*
Coastal Transnational Ventures (CY) Limited	Subsidiary	843.41	843.41
Ujjawala Power Private Limited	Subsidiary	0.10	0.10
Prospecta Infrastructure Private Limited	Subsidiary	0.10	-
Grandeur Power Projects Private Limited	Subsidiary	0.10	0.10
Badao Hydro Power Private Limited	Subsidiary	0.10	0.10
Para Hydro Power Private Limited	Subsidiary	0.10	0.10
Rebby Hydro Power Private Limited	Subsidiary	0.10	0.10
Nepal Jalabidyut Pravardan Tatha Bikas Limited	Associate	170.00	170.00
Advance towards Share application money			
Coastal Sirohi Power Limited	Companies in which significant influence is exercised	100.00	100.00
Grandeur Power Projects Private Limited	Subsidiary	32.01	32.01
Coastal Lanka (Private) Limited	Subsidiary	24.16	24.16
Coastal Transnational Ventures (CY) Limited	Subsidiary	855.13	855.13
Loans /Advances receivable			
Grandeur Power Projects Private Limited	Subsidiary	0.70	0.16
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	-	198.07
Royal-CPL JV	Joint Venture	12.82	-
CPPL - Chongqing	Joint Venture	258.21	258.21
S. Surendra	Key Management Personnel	2.75	2.75
G. Hari Hara Rao	Key Management Personnel	-	8.95
Nuziveedu - Swathi - Coastal	Joint Venture	546.86	547.00
Advances payable			
Jal power corporation Limited	Subsidiary	342.82	362.82
Mobilisation advance payable			
Jal Power Corporation Limited	Subsidiary	159.55	222.91
Coastal - TTS	Joint Venture	142.59	-
HCC - CPL	Joint Venture	-	99.63
Coastal - Patel - Jyothi - CBE	Joint Venture	410.53	410.53
CPPL - Chongqing	Joint Venture	67.25	67.25
Material advance payable			
GYT - Coastal	Joint Venture	62.32	-
Machinery advance payable			
Jal Power Corporation Limited	Subsidiary	228.35	228.35
Corporate guarantee			
Nuziveedu - Swathi - Coastal	Joint Venture	300.00	300.00
Counter guarantee			
HCC - Coastal	Joint Venture	1,529.19	1,689.44
Essar- DEC- CPPL	Joint Venture	45.76	45.76
Coastal - Patel - Jyothi - CBE	Joint Venture	545.95	545.95
CPPL - Chongqing	Joint Venture	95.50	95.50
AKR - Coastal	Joint Venture	82.18	82.18
Managerial Remuneration Payable			
Mr. Sridhar Nivarthi - Whole time Director	Key Management Personnel	0.49	-
Mr. Sharad Kumar - Whole time Director	Key Management Personnel	3.43	-

Notes forming part of the Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

42 Earnings/ Loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and shares data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
Loss attributable to equity holders	35.19	(2,882.03)
Weighted average number of equity shares for basic EPS* [no's]	330,934,900	123,670,544
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	<u>330,934,900</u>	<u>123,670,544</u>
Basic loss per share (`)	0.11	(23.30)
Diluted loss per share (`)	0.11	(23.30)

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

43 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

	31 March 2017	31 March 2016
Employers' Contribution to Provident Fund and Employee State Insurance	18.02	24.66

(B) Defined benefit plans

	31 March 2017	31 March 2016
a) Gratuity payable to employees	12.40	16.54
b) Compensated absences for Employees	7.32	8.41

i) Actuarial assumptions

Discount rate (per annum)	8.00%	8.00%
Rate of increase in Salary	10.00%	10.00%
Expected average remaining working lives of employees (years)	26.16	26.78
Attrition rate	15.00%	15.00%

ii) Changes in the present value of defined benefit obligation

	<u>Employee's gratuity fund</u>	
Present value of obligation at the beginning of the year	27.55	28.49
Interest cost	2.20	2.28
Past service cost	-	-
Current service cost	3.47	4.53
Curtailments	-	-
Settlements	-	-
Benefits paid	(2.17)	(1.81)
Actuarial (gain)/ loss on obligations	(9.01)	(5.94)
Present value of obligation at the end of the year*	<u>22.04</u>	<u>27.55</u>

*Included in provision for employee benefits

iii) Expense recognized in the Statement of Profit and Loss

	<u>Employee's gratuity fund</u>	
Current service cost	3.47	4.53
Past service cost	-	-
Interest cost	2.20	2.28
Expected return on plan assets	(0.80)	(0.93)
Actuarial (gain) / loss on obligations	(9.01)	(5.94)
Settlements	-	-
Curtailments	-	-
Total expenses recognized in the Statement Profit and Loss*	<u>(4.14)</u>	<u>(0.06)</u>

*Included in Employee benefits expense. Actuarial (gain)/loss of INR (31 March 2017: INR 9.01) is included in other comprehensive income.

Notes forming part of the Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

- 44 There are certain projects which are stalled due to delay in obtaining clearances, non-receipt of dues, and non-availability of working capital. The Company is negotiating with these project customers, who are primarily government undertakings / departments for recovery of dues and recommencement of project works. The Company based on its assessment and considering the invocation of Strategic Debt Restructuring Scheme (SDR) by the lenders and lenders continued financial support as explained in Note 1, the Company is hopeful of recovery of its entire dues, realisation of contracts in progress and recommence the stalled project works. Accordingly, an aggregate amount of ₹ 6,530.33 million (31 March, 2016: ₹ 6,760.10 Million), [Trade receivables included in Note 13 ₹ 573.11 million (31 March, 2016: ₹ 382.01 Million), Contracts-in progress included in Note 19 ₹ 1,175.43 million (31 March, 2016: ₹ 1,059.72 million), Unbilled Revenue included in Note 19 ₹ 2,855.61 million (31 March, 2016: ₹ 2,999.89 million), invoked bank guarantees (net of advances received) included in Note 11 ₹ 1,926.18 million (31 March, 2016: ₹ 2,133.46 million)] has been considered as good and no provision have been made as at 31 March, 2017 against such amounts recoverable from the projects. Further during the year, the company has submitted claims to the extent of ₹ 3,920.00 million to National Projects Construction Company (NPCC) towards additional cost incurred in execution of the Boarder Fencing works. Pending final arbitration award, NPCC has acknowledged the claim submitted by the company. The company has also taken necessary legal opinion on the same and accordingly it has been recognised as revenue during the year.
- 45 The Company has an investment of ₹ 843.41 million (31 March, 2016: ₹ 843.41 million) in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") a wholly owned subsidiary and has advanced share application money aggregating to ₹ 855.13 million (31 March, 2016: ₹ 855.13 million) as at 31 March, 2017. The Company had also given a corporate guarantee of USD 15.68 million, in favour of EXIM Bank, towards loan availed by CTVL to finance its acquisition of equity shares in SELI -Societa Esecuzione Lavori Idraulici SPA, Italy ("SELI"), which specializes in the manufacture of Tunnel Boring Machines (TBMs) and its maintenance. CTVL has an investment of Euro 19,410,000 in SELI, as at 31 March, 2016. The Company had acquired TBMs from SELI in the prior years and avails its services, for the maintenance of such TBMs. EXIM Bank had invoked the corporate guarantee and recovered ₹ 1,029.90 million from the Company. Based on the unaudited financial statements, CTVL has incurred loss of ₹ 0.79 million for the previous year ended 31 March, 2016 and its accumulated loss of ₹ 252.21 million as at 31 March, 2016 and the net worth is ₹ 1,703.67 million and no provision for diminution in the value of investment of ₹ 843.41 million and share application money in the subsidiary of ₹ 855.13 million has been made by the Company having regard to the call option available to the Company to realise its investment, as detailed hereunder.
- A shareholders' agreement was entered on 2 August, 2012, between the Company, CTVL and Qinhuangdao Tianye Tolian Heavy Industry Co. Limited, China, ("Tolian") who has the controlling stake in SELI. Pursuant to the terms of agreement, CTVL has the call option, which can be exercised between July 2013 to July 2016, to withdraw its investment in SELI at an agreed fixed price with a specified rate of return on its investment or fair market value, whichever is higher. In the event the option is not exercised by CTVL, before July 2016, the Company, CTVL and Tolian, should re-negotiate, based on 31 July 2016 option price and same criteria should be used for the period of time, subsequent to the expiration date. In case of a dead lock, Tolian has an irrevocable right to acquire the shares held by CTVL at the option price or fair market value determined by an independent expert, whichever is higher. Considering the long term business interests, CTVL has started discussion with SELI and Tolian for amicable settlement of all outstanding issues. Accordingly, in the view of the management, the realisable value of the call option is higher than the carrying value of the investment held by CTVL in SELI as at 31 March, 2017.
- 46 Advance to suppliers, sub-contractors and others include an amount of ₹ 87.08 million (31 March, 2016: ₹ 87.08 million) adjusted by a IDBI Bank Limited from the Company's bank account towards interest sacrificed by them. As per the minutes of the Joint Lenders Forum (JLF) held on 25 July, 2014 it was proposed that the amount should be refunded to TRA Account or to be adjusted against future interest payable to the lender. Hence, the same has been recognised as other advance pending future adjustments.
- 47 Upon invocation of the pledge by IDFC Limited, 33,85,939 equity shares of ₹ 10 each held by the promoters in the Company, has been transferred to IDFC Limited during the previous year. IDFC Limited has adjusted an amount of ₹ 670 million against its dues, based on its internal valuation. Such adjusted amount of ₹ 670 million has been disclosed as promoters' contribution not attracting interest. The promoters' along with the Company had filed an appeal with respect to the valuation of adjusted equity shares with Debt Recovery appellate tribunal on 31 July, 2014.
- During the year 2015-16, the Company had applied for Corporate Debt Restructuring (CDR) and the same was approved by the CDR cell vide its approval letter dated 28 April, 2014. Further, based on RBI circular providing for conversion of debt into equity under the Strategic Debt Restructuring Scheme, lenders on 25 July, 2015 invoked SDR and converted debt of ₹ 1,805.13 million into equity shares at par value of ₹ 10 each. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18. Based, on the future projections, considered under the SDR Scheme which was taken on record by the Board of Directors and having regard to the present order book position, improvement of future cash flows and profitability, the Company expects to fully realise the deferred tax asset in the near future.
- 48 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For U.K. Mahapatra & Co.
Chartered Accountants
(Registration No 320039E)

For and on behalf of the Board of Directors

Sd/-

Manas Kumar Mania
Partner
(Membership No 300113)

Sd/-

S. Surendra
Chairman
(DIN No: 00398152)

Sd/-

G.Hari Hara Rao
Managing Director
(DIN No: 02240794)

Sd/-

N.Varalakshmi
Company Secretary
(M.No: FCS 6999)

Place: Bhubaneswar
Date: 06 September, 2017

Place: Hyderabad
Date: 06 September, 2017

COASTAL PROJECTS LIMITED
Cash Flow Statement for the year ended 31 March, 2017

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A. Cash flow from operating activities:		
Profit / (Loss) before tax	495.37	(3,281.23)
Adjustment for:		
Depreciation and amortisation expense	1,075.47	1,526.06
Interest income	(29.36)	(54.29)
Finance costs	3,798.71	3,907.68
Net unrealised foreign exchange loss	0.12	1.20
Profit on sale of fixed assets	(0.47)	(0.53)
Loss on sale of fixed assets	1.55	0.06
Operating profit before working capital changes	5,341.40	2,098.96
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets:		
Inventories	518.32	508.54
Trade receivables	(4,492.61)	(1,069.63)
Short-term loans and advances	(217.57)	459.08
Long term loans and advances	(31.63)	558.45
Other current assets	(845.20)	(2,411.45)
Other non-current assets	(141.07)	(1,057.99)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	(194.36)	(7.77)
Other current liabilities	(246.81)	438.87
Other long-term liabilities	(1.57)	342.84
Short-term provisions	(0.91)	(0.64)
Long-term provisions	(4.30)	(0.10)
Cash used in operating activities	(316.32)	(140.85)
Income Tax	58.22	(56.21)
Net cash used in operating activities (A)	(258.10)	(197.06)
B. Cash flow from investing activities:		
Capital expenditure on fixed assets, including capital advances	(129.33)	91.55
Proceeds from sale of fixed assets	145.58	1.45
Bank balances not considered as cash and cash equivalents	(3.43)	323.47
Investment in subsidiaries (including share application money)	(0.10)	-
Loan realised from related parties and subsidiaries	184.18	(14.22)
Interest received	27.18	53.30
Net cash used in investing activities (B)	224.09	455.55
C. Cash flow from financing activities:		
Proceeds from long-term borrowings (net of repayments /adjustments)	(1,095.94)	(444.68)
Proceeds from short-term borrowings (net of repayments/adjustments)	1,337.35	1,304.71
Finance costs (net of payments/adjustments)	(305.71)	(951.58)
Net cash generated from financing activities (C)	(64.30)	(91.55)
D. Net Increase/Decrease in cash and cash equivalents (A+B+C)	(98.31)	166.90
E. Cash and cash equivalents		
at the beginning of the year	380.38	213.48
at the end of the year (Refer note 14)	282.07	380.38

See accompanying notes forming part of the financial statements

Notes:

1.Cash flow statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on cash flow statements. Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and cash equivalents which are short-term.

In terms of our report attached

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

For and on behalf of the Board of Directors

Sd/-
Manas Kumar Mania
Partner
(Membership No 300113)

Sd/-
S.Surendra
Chairman
(DIN: 00398152)

Sd/-
G.Hari Hara Rao
Managing Director
(DIN: 02240794)

Sd/-
N.Varalakshmi
Company Secretary
(M.No: FCS 6999)

Date : 06 September, 2017

Place: Bhubaneswar

Date : 06 September, 2017

Place: Hyderabad

COASTAL PROJECTS LIMITED
Consolidated Balance Sheet as at 31 March 2017

(Amount in INR Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	6	2,684.89	5,660.70	7,124.62
Capital work-in-progress		9,467.20	8,459.64	7,795.89
Intangible assets	7	0.90	1.01	1.01
Good will		85.12	85.12	85.12
Financial assets				
Investments	8	1,637.91	1,692.51	1,545.28
Security Deposits	9	1,164.58	1,160.10	1,295.96
Other assets	10	752.41	824.20	2,009.81
Deferred tax asset (net)	37	1,613.35	2,187.61	1,739.86
Other non-current assets	11	4,840.39	4,898.25	3,159.47
Total non-current assets		22,246.75	24,969.14	24,757.02
Current assets				
Inventories	12	14,710.09	13,450.72	11,291.85
Financial assets				
Trade receivables	13	16,882.09	12,425.65	11,386.92
Cash and cash equivalents	14	283.61	597.38	409.23
Bank balances other than cash and cash equivalent	15	48.11	102.86	377.18
Loans	16	3,478.44	3,438.36	3,798.27
Other assets	17	1.84	2.52	10.10
Current tax assets (net)	18	340.71	405.20	318.91
Other current assets	19	7,798.04	8,792.47	9,015.15
Total current assets		43,542.93	39,215.16	36,607.60
Total assets		65,789.69	64,184.30	61,364.56
EQUITY AND LIABILITIES				
Equity				
Equity share capital	20	3,309.36	3,309.36	191.64
Other equity	21	-940.56	-1,298.67	2,714.33
Total equity		2,368.79	2,010.69	2,905.97
Non-controlling interest		915.83	916.61	916.67
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	22	29,123.99	31,761.87	31,622.83
Provisions	24	18.83	23.46	24.02
Other non-current liabilities	25	788.62	790.18	447.35
Total non-current liabilities		29,931.44	32,575.51	32,094.20
Current liabilities				
Financial liabilities				
Borrowings	26	18,342.67	17,172.31	16,356.73
Trade payables	27	2,561.80	2,604.67	2,590.46
Other current liabilities	28	11,661.40	8,895.80	6,491.10
Provisions	24	7.77	8.71	9.42
Total current liabilities		32,573.63	28,681.49	25,447.72
Total liabilities		63,420.90	62,173.61	58,458.58
Total equity and liabilities		65,789.69	64,184.30	61,364.56

Notes 1 to 49 form an integral part of the consolidated financial statements

As per our report of even date

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

For and on behalf of the Board of Directors

Sd/-
Manas Kumar Mania
Partner
(Membership No 300113)

Sd/-
S. Surendra
Chairman

Sd/-
G.Hari Hara Rao
Managing Director

Sd/-
N.Varalakshmi
Company Secretary

Place: Bhubaneswar
Date: 06 September, 2017

Place: Hyderabad
Date: 06 September, 2017

Consolidated Statement of Profit and Loss for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Income			
Revenue from operations	29	12,841.98	10,815.43
Other income	30	136.64	175.38
Total income		12,978.63	10,990.81
Expenses			
Cost of material consumed	31	3,951.29	3,880.01
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	-1,877.08	-2,429.19
Employee benefits expense	33	986.56	949.57
Finance costs	34	4,331.13	5,013.52
Depreciation and amortization expense	35	1,078.70	1,746.06
Other expenses	36	4,585.48	6,078.35
Total expenses		13,056.08	15,238.33
Profit /(Loss) before exceptional items and tax		-77.45	-4,247.51
Exceptional items			
Less: Directly attributable expenditure transferred to Capital work-in-progress		570.73	925.27
Profit /(Loss) before tax		493.28	-3,322.24
Income tax expense			
Current tax		-	-26.88
Deferred tax		469.20	-447.75
Total income tax expense		469.20	-474.63
Profit/(Loss) for the year		24.08	-2,847.62
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains/ (losses) on defined benefit plans		6.03	3.97
Income tax effect		2.98	1.96
Other comprehensive income for the year		9.01	5.93
Total other comprehensive income for the year		33.10	-2,841.69
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)	42	0.10	-22.98
Diluted earnings /(loss) per share (INR)	42	0.10	-22.98

Notes 1 to 49 form an integral part of the consolidated financial statements

As per our report of even date

For **U.K. Mahapatra & Co.**
Chartered Accountants
(Registration No 320039E)

For and on behalf of the Board of Directors

Sd/-
Manas Kumar Mania
Partner
(Membership No 300113)

Sd/-
S. Surendra
Chairman

Sd/-
G.Hari Hara Rao
Managing Director

Sd/-
N.Varalakshmi
Company Secretary

Place: Bhubaneswar
Date: 06 September, 2017

Place: Hyderabad
Date: 06 September, 2017

COASTAL PROJECTS LIMITED
Consolidated Cash Flow Statement for the year ended 31 March, 2017

(Amount in INR Million, unless otherwise stated)

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A. Cash flow from operating activities:		
Profit / (Loss) before tax	493.28	(3,322.24)
Adjustment for:		
Depreciation and amortisation expense	1,078.70	1,746.06
Interest income	(29.42)	(101.13)
Finance costs	4,331.13	5,013.52
Net unrealised foreign exchange loss	0.12	1.20
Profit on sale of fixed assets	(0.47)	(0.53)
Loss on sale of fixed assets	1.55	0.06
Operating profit before working capital changes	5,874.89	3,336.94
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets:		
Inventories	508.54	518.32
Trade receivables	(4,456.43)	(1,038.73)
Short-term loans and advances	145.25	373.65
Long term loans and advances	42.75	1,154.30
Other current assets	990.44	245.72
Other non-current assets	12.91	(1,959.41)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	(42.87)	14.21
Other current liabilities	253.35	1,250.61
Other long-term liabilities	(1.57)	342.84
Short-term provisions	(0.94)	(0.71)
Long-term provisions	(4.64)	(0.56)
Cash used in operating activities	3,321.70	4,237.18
Income Tax	64.49	(59.41)
Net cash used in operating activities (A)	3,386.19	4,177.77
B. Cash flow from investing activities:		
Capital expenditure on fixed assets, including capital advances	(129.33)	91.55
Proceeds from sale of fixed assets	145.58	1.45
Bank balances not considered as cash and cash equivalents	(3.43)	323.47
Investment in subsidiaries (including share application money)	54.60	-
Loan realised from related parties and subsidiaries	728.85	(13.73)
Interest received	49.43	23.23
Net cash used in investing activities (B)	845.70	425.97
C. Cash flow from financing activities:		
Proceeds from long-term borrowings (net of repayments /adjustments)	(3,972.28)	(2,049.89)
Proceeds from short-term borrowings (net of repayments/adjustments)	1,098.67	812.77
Finance costs (net of payments/adjustments)	(838.13)	(2,057.42)
Net cash generated from financing activities (C)	(3,711.73)	(3,294.55)
D. Net Increase/Decrease in cash and cash equivalents (A+B+C)	520.15	1,309.16
E. Cash and cash equivalents		
at the beginning of the year	597.38	213.48
at the end of the year (Refer note 14)	283.61	597.38

Notes 1 to 49 form an integral part of the consolidated financials statements

Notes:

1.Cash flow statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on cash flow statements. Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and cash equivalents which are short-term.

In terms of our report attached

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

Sd/-
Manas Kumar Mania
Partner
(Membership No 300113)

For and on behalf of the Board of Directors

Sd/-
S.Surendra
Chairman

Sd/-
G.Hari Hara Rao
Managing Director

Sd/-
N.Varalakshmi
Company Secretary

Date : 06 September, 2017

Place: Bhubaneswar

Date : 06 September, 2017

Place: Hyderabad

COASTAL PROJECTS LIMITED

Consolidated Statement of changes in equity for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

(A) Equity share capital

	As at 31 March 2017		As at 31 Mar 2016	
	No. of shares	Amount	No. of shares	Amount
Equity shares of [` 10] each issued, subscribed and fully paid				
Opening	330.94	3,309.36	191.63	191.63
Add: issue during the year	-	-	3,117.73	3,117.73
Closing	330.94	3,309.36	3,309.36	3,309.36

(B) Other equity

	Equity component of compound financial instrument	Reserve and surplus				Items of OCI		Total
		Share options outstanding	Securities premium reserve	Treasury shares	General reserve	Retained earnings	FVTOCI Reserve	
Balance as at 1 April 2015	1,330.89	-	3,527.48	-	-	-2,144.03	-	2,714.34
Loss for the year	-	-	-	-	-	-2,847.62	-	-2,847.62
Other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	-	-	-2,847.62	-	-2,847.62
Transactions with owners in their capacity as owners:	-1,330.89	-	18.30	-	-	-	-	-1,312.59
Issue of Convertible Preference Shares	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-
Forfeiture of share options	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	-	-	3,545.78	-	-	-4,991.64	-	-1,298.66

	Equity component of compound financial instrument	Reserve and surplus				Items of OCI		Total
		Share options outstanding	Securities premium reserve	Treasury shares	General reserve	Retained earnings	FVTOCI Reserve	
Balance as at 1 April 2016	-	-	3,545.78	-	-	-4,510.42	-	-964.65
Profit for the year	-	-	-	-	-	24.08	-	24.08
Other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	-	-	24.08	-	24.08
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	-
Issue of Convertible Preference Shares	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-
Forfeiture of share options	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	-	3,545.78	-	-	-4,486.34	-	-940.56

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

1 General Information

Coastal Projects Limited ("the Company", "CPL") was incorporated as a private limited company in 1995 and converted into Public Company in 2010. The Company specialises in Underground excavation works of Hydro Electric Projects, Underground Power House Complexes, Rail Tunnels, Water Carriage Tunnels, Shafts, Buildings, Electricals, Road works, etc.

The lenders (banks and financial institutions) of the Company had agreed to a Corporate Debt Restructuring (CDR) scheme as of 31 July, 2013 ("Cut-off date"). Accordingly, the Company and the lenders had entered into a Master Restructuring Agreement dated 29 March, 2014 and further amended vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014. The package envisages, restructuring of borrowings (terms loans and equipment loans). The excess drawing in the working capital has been converted into Working Capital Term Loans (WCTL 1 and 2) and the interest from 31 July, 2013 ("Cutoff date") to 30 June, 2015 has been converted into Funded Interest Term Loan (FITL). The financial statements have been prepared after giving effect to the restructuring package.

The company is executing large government and quasi-government projects. Due to non-availability of need based working capital from the customers and due to the delay by the lenders in compliance with the requirements of CDR, the Company could not meet the envisaged turnaround in the operations during the year ended 31 March, 2016. The lenders have therefore invoked Strategic Debt Restructuring Scheme (SDR) on 25 July, 2015 as reference date. Accordingly it was proposed to convert ₹ 2,120.00 million of debt in to equity. The Strategic Debt Restructuring (SDR) scheme was implemented by super majority of lenders by converting debt of ₹ 1,805.13 million at par value of ₹ 10 each per share, thereby holding 54.55% stake in the company. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18. Based on the above, these financial statements have been prepared on a going concern basis.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements**(a) Statement of Compliance with Ind AS**

These financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2017 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Group has adopted Ind AS.

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

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

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

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(d) Principles of Consolidation

The financial statements have been prepared on the following basis:

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The acquisition method of accounting is used to account for business combination by the Group.

The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period
Plant & Machinery	12 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

2.3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions**(a) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

2.6 Revenue Recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

(a) Recognition of contract revenue and expenses:

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the percentage of costs incurred to date to estimated total costs for each contract. (With respect to only engineering contracts, it is being measured with man hours utilised basis). Revenue is only recognised when total contract value can be measured reliably, it is probable that the economic benefits associated with the contract will flow to the entity, the costs to complete the contract can be measured reliably and contract costs incurred can be clearly identified as being attributable to each contract. Change orders resulting in variations in the scope of work or claims that the Company seeks to collect from its customers due to customer-caused delays or excessive increase in costs are recognised as a change in the contract value to the extent it is probable that they will result in revenue and they are capable of being reliably measured. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in the Statement of Profit and Loss.

Pre-contract costs are expensed as incurred.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(b) **Accounting for Claims:**

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as contract revenue on receipt of favourable award.

(c) **Income from Equipment Hire charges:**

Revenue from equipment hire charges is recognised based on terms of contracts of equipment.

(d) **Other Income**

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists. Interest income on deposits/loans is recognized on accrual basis.

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) **Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) **Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.9 Leases**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.10 Inventories

Stock of construction material, fuel oil, lubricants, stock of traded goods, consumable stores and spare parts at sites is valued at lower of cost (determined on weighted average basis) and net realisable value.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.11 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.12 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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 recognized as a finance cost.

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

2.13 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.14 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

(a) Financial assets**(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss. The Company has currently exercised irrevocable option to classify its investment in equity instruments of PQR Private Limited. Other than this no other equity instrument qualifies definition of financial asset in case of the Company.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

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

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan 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. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

2.16 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.18 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

2.19 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty 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 years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, 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.

(a) Taxes:

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation (Refer Note 37).

(b) Defined benefit plans (gratuity benefits and leave encashment):

The cost of the defined benefit plans such as gratuity and leave encashment 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 year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis (refer Note 43).

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Amendments to Ind AS 7, Statement of Cash Flows and Ind AS 102, Share-based Payment

On 17th March 2017, MCA has notified amendments to Companies (Indian Accounting Standards) Rules, 2015 to keep Ind AS consistent with the amendments made to International Financial Reporting Standards (IFRS) in order to maintain convergence. The amendment relates to Ind AS 7, *Statement of Cash Flows*, and Ind AS 102, *Share-based Payment* and are effective from 1 April 2017. Key amendments are as follows

(a) Ind AS 7, *Statement of Cash Flows*

Additional disclosures to be made for changes in liabilities arising from financing activities to improve information provided to users of financial statements, on account of:

- a. Non-cash changes (i.e. changes in fair values), changes resulting from acquisitions and disposals of subsidiaries/businesses and the effect of foreign exchange differences; and
- b. Cash flows, such as drawdowns and repayment of borrowings.

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(b) Ind AS 102, Share-based Payment

The amendments relate to:

- a. Measurement of cash-settled share-based payments;
- b. Classification of share-based payments settled net of tax withholdings; and
- c. Accounting for a modification of a share-based payment from cash-settled to equity-settled.

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2017, together with the comparative year data as at and for the year ended 31 March 2016, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32, Financial Instruments: Presentation, retrospectively to split the liability and equity components of the instrument.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) FVTPL - debt securities
- (iii) FVTOCI - debt securities

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

6 Property, plant and equipment

	Gross block			Depreciation			Net block	
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	As at 31 March 2017	As at 31 March 2016
Owned assets								
Leasehold Improvement	-	-	-	-	-	-	-	-
Land - freehold	219.77	-	-	219.77	-	-	219.77	219.77
Buildings	139.69	-	-	139.69	65.33	1.71	72.66	74.36
Plant and Machinery	10,315.87	52.12	900.06	9,467.93	7,412.24	781.95	2,034.48	2,903.63
Construction Vehicles	1,853.95	59.81	110.51	1,803.24	1,631.81	72.52	203.47	222.13
Transport Vehicles	367.63	2.20	16.24	353.59	317.36	34.97	16.09	50.27
Furniture and Fixtures	63.37	1.23	-	64.60	47.09	4.82	12.69	16.28
Office Equipment	89.58	1.63	0.15	91.06	81.42	3.21	6.52	8.16
Computers	45.47	0.86	-	46.33	42.88	0.36	3.08	2.59
Temporary Structures	2,436.34	6.96	0.04	2,443.26	2,148.40	177.14	117.77	287.94
Server	-	-	-	-	-	-	-	-
Total	15,531.68	124.81	1,027.00	14,629.45	11,746.52	1,076.68	2,684.89	3,785.14

	Gross block			Depreciation			Net block	
	As at 1 April 2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	As at 31 March 2016	As at 1 April 2015
Owned assets								
Leasehold Improvement	-	-	-	-	-	-	-	-
Land - freehold	214.03	5.73	-	219.77	-	-	219.77	214.03
Buildings	139.69	-	-	139.69	53.05	12.28	74.36	86.64
Plant and Machinery	12,999.55	47.31	-	13,046.86	7,002.16	1,265.78	4,778.92	5,997.39
Construction Vehicles	1,851.90	2.05	-	1,853.95	1,519.62	112.19	222.13	332.28
Transport Vehicles	369.86	3.68	5.91	367.63	294.74	27.60	50.27	75.12
Furniture and Fixtures	61.86	1.55	0.05	63.37	40.17	6.95	16.28	21.69
Office Equipment	88.46	1.20	0.08	89.58	73.30	8.19	8.16	15.17
Computers	44.98	0.49	-	45.47	41.97	0.91	2.59	3.02
Temporary Structures	2,208.50	231.48	3.64	2,436.34	1,829.56	319.05	287.94	378.95
Server	-	-	-	-	-	-	-	-
Total	17,978.85	293.49	9.68	18,262.67	10,854.56	1,752.95	5,660.43	7,124.29

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

7 Intangible assets

	Gross block				Depreciation			Net block		
	As at 1 April 2016	Additions - being internally developed	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2016
Computer Software	8.30	-	-	-	8.30	8.15	-	-	8.15	0.15
Intangible asset under development	-	-	-	-	-	-	-	-	-	-
Total	8.30	-	-	-	8.30	8.15	-	-	8.15	0.15
	Gross block				Depreciation			Net block		
	As at 1 April 2015	Additions - being internally developed	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	Deductions/ Adjustments	As at 31 March 2016	As at 1 April 2015
Computer Software	8.30	-	-	-	8.30	8.15	-	-	8.15	0.15
Intangible asset under development	-	-	-	-	-	-	-	-	-	-
Total	8.30	0.00	0.00	0.00	8.30	8.15	0.00	0.00	8.15	0.15
	Gross block				Depreciation			Net block		
	As at 1 April 2016	Additions - being internally developed	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2016
Project expenditure allocation	8,459.44	-	1,007.76	-	9,467.20	-	-	-	9,467.20	8,459.44
Total	8,459.44	-	1,007.76	-	9,467.20	-	-	-	9,467.20	8,459.44
	Gross block				Depreciation			Net block		
	As at 1 April 2015	Additions - being internally developed	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	Deductions/ Adjustments	As at 31 March 2016	As at 1 April 2015
Project expenditure allocation	7,795.89	-	960.69	297.14	8,459.44	-	-	-	8,459.44	7,795.89
Total	7,795.89	0.00	960.69	297.14	8,459.44	0.00	0.00	0.00	8,459.44	7,795.89

8 Financial Assets- Investments

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment in equity instrument designated as at fair value through OCI (fully paid)			
Unquoted equity shares			
10,000 (31 March 2016: 10,000, 1 April 2015: 10,000) equity shares of ₹10 each fully paid-up in Ujjawala Power Private Limited (refer note 8.3)	0.10	-	-
S.E.L.I. Societa Esecuzione Lavori Idraulici s.p.a.	1,457.60	1,457.60	1,310.38
241,908 (31 March 2016: 241,908, 1 April 2015: 241,908) equity shares of Nepalese Rupee 100 each fully paid-up in Nepal Jalabidyut Pravardan Tatha Bikas Limited,	169.92	169.92	169.92
1,018,000 (31 March 2016: 1,018,000, 1 April 2015: 1,018,000) equity shares of ₹10 each fully paid-up in Dharmasala Hydro Power Project Limited	10.18	10.18	10.18
10,000 (31 March 2016: Nil, 1 April 2015: Nil) equity shares of ₹10 each fully paid-up in Prospecta Infrastructure Private Limited	0.10	-	-
Redeemable Preference shares of first class Infrabuild Private Ltd. (54,800 Shares(Previous Year:Nil), Face Value Rs.10	-	54.80	54.80
	1,637.91	1,692.51	1,545.28
Current	-	-	-
Non- Current	1,637.91	1,692.51	1,545.28
	1,637.91	1,692.51	1,545.28
Aggregate book value of:			
Quoted investments	1,637.91	1,692.51	1,545.28
Unquoted investments	-	-	-
Aggregate market value of:			
Quoted investments	1,637.91	1,692.51	1,545.28
Unquoted investments	-	-	-
Aggregate amount of impairment in value of Investments	-	-	-

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
9 Non-Current Financial assets - Loans			
<u>Unsecured, considered good</u>			
Security deposits	1,164.58	1,160.10	1,295.96
10 Non-Current Financial assets - Others			
Capital advances	606.47	631.02	798.19
Share application money pending allotment	25.95	100.00	366.67
Receivable from subsidiary (Invocation of corporate guarantee)	-	-	763.23
Other deposits	119.99	93.18	81.72
Total	752.41	824.20	2,009.81
11 Other non-current assets			
Retention money	456.80	434.45	697.95
Interest accrued on bank deposits	4.85	20.19	31.15
Deposit accounts	32.20	61.83	20.00
Margin money deposits (Refer note (i) below)	1.36	1.30	115.63
	4,345.19		
Other receivables (net of adjustments) (refer (Refer note (ii) below & note 44)		4,380.44	2,294.74
Prepaid rent	-	-	-
Total other non-current other assets	4,840.40	4,898.22	3,159.47
Note:			
(i) Held as lien by department of commercial taxes against bank guarantee issued			
(ii) Tata Power Trading company Ltd invoked performance BG given by Coastal Projects Ltd on behalf of JPCL.			
12 Inventories*			
	31 March 2017	31 March 2016	1 April 2015
Raw material in stock (Valued at lower of cost and net realizable value)	1,879.21	2,496.92	2,767.23
Work in progress in stock (Valued at lower of cost and net realizable value)	12,830.89	10,953.81	8,524.62
	14,710.09	13,450.73	11,291.85
*Hypothecated as charge against short term-borrowings.			
13 Trade receivable (refer note 44)			
	31 March 2017	31 March 2016	1 April 2015
Secured, considered good	-	-	-
Unsecured			
-Considered good	16,882.09	12,425.65	11,386.92
-Considered doubtful	-	-	-
Less : Allowance for bad and doubtful debts	-	-	-
	16,882.09	12,425.65	11,386.92
Further classified as:			
Receivable from related parties	1,865.70	1,239.41	1,209.31
Receivable from others	15,009.69	11,143.37	10,174.86
	16,882.09	12,425.65	11,386.92
14 Cash and bank balances			
<u>Cash and cash equivalents</u>			
Balances with banks			
On current accounts	269.99	414.98	203.64
Fixed deposits with maturity of less than 3 months	-	166.81	155.32
Cash on hand	13.62	15.60	50.27
Total cash and cash equivalents	283.61	597.38	409.24

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

<u>Specified bank notes (SBNs):</u>	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Particulars	<u>SBNs</u>	<u>Others</u>	<u>Total</u>
Closing cash in hand as on 8 November 2016	2.16	5.14	7.30
Add: Permitted receipts	0.50	3.51	4.01
Less: Permitted payments	1.15	3.65	4.80
Less: Amount deposited in banks	1.51	-	1.51
Closing cash in hand as on 30 December 2016	-	5.00	5.00

The Company has maintained a memorandum cash book, the company has provided relevant disclosures as required under Notification No. G. S.R. 307(E) and Notification No. G.S.R. 308(E) dated 30 March, 2017.

15 Bank balances other than Cash and cash equivalent	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
In deposit with Bank	48.11	102.86	377.18
	<u>48.11</u>	<u>102.86</u>	<u>377.18</u>

16 Current Financial assets - Loans	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
<u>Unsecured, considered good</u>			
Security deposit	270.46	116.56	11.17
Loans and advances to related parties-Joint ventures	271.03	258.21	258.21
Loans and advances to related parties-Others	1.38	199.53	185.79
Loans and advances to employees	45.78	54.81	19.92
Prepaid expenses	21.80	22.67	24.10
Works contract tax receivable	291.56	302.38	294.02
Advance to suppliers, sub-contractors and others (refer note 46)	1,786.34	1,746.04	2,308.03
Mobilisation advance to sub-contractors	576.15	523.29	466.30
Earnest money deposits	213.94	214.87	230.73
	<u>3,478.43</u>	<u>3,438.36</u>	<u>3,798.28</u>

17 Current Financial assets - Others	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Interest accrued on fixed deposits	1.84	2.52	10.10
	<u>1.84</u>	<u>2.52</u>	<u>10.10</u>

18 Current tax assets	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Advance income tax (net of provisions amounting NIL (31 March 2016: [` Nil], 1 April 2015: [` 483.49 Million]))	340.71	405.20	318.91
	<u>340.71</u>	<u>405.20</u>	<u>318.91</u>

19 Other current assets (refer note 44)	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>1 April 2015</u>
Unbilled revenue	7,691.93	8,664.18	8,918.97
Interest accrued on Deposits -Others	84.87	88.86	65.82
Other receivables	21.24	39.44	30.37
Total	<u>7,798.04</u>	<u>8,792.47</u>	<u>9,015.16</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

20 Equity share capital

The Company has only one class of equity share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

Authorized

[600,000,000 No. of shares] (31 March 2016: 600,000,000, 1 April 2015: 600,000,000)

Equity Shares of ₹ 10 each

31 March 2017	31 March 2016	1 April 2015
600.00	600.00	600.00
600.00	600.00	600.00

Issued, subscribed and paid up

[330,935,600] (31 March 2016: 330,935,600, 1 April 2015: 19,163,468) equity shares of ₹

10 each fully paid

Total

3,309.36	3,309.36	191.64
3,309.36	3,309.36	191.64

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

Outstanding at the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

31 March 2017		31 March 2016	
Number of shares	Amount	Number of shares	Amount
330.94	3,309.36	19.16	191.63
-	-	311.78	3,117.73
330.94	3,309.36	330.94	3,309.36

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company Name of the shareholder

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Tunnel Holdings India Limited	39,013,029	11.79%	39,013,029	11.79%	2,222,026	11.60%
Mr. S. Surendra	34,063,305	10.29%	34,063,305	10.29%	4,248,687	22.17%
Fidelity India Ventures	30,235,097	9.14%	30,235,097	9.14%	16,80,652.00	8.77%
Sequoia Capital India Growth Investment Fund	28,227,762	8.53%	28,227,762	8.53%	1,084,523	5.66%
State Bank of India	25,857,505	7.81%	25,857,505	7.81%	-	-
ICICI Bank	24,835,760	7.50%	24,835,760	7.50%	-	-
Punjab National Bank	22,085,152	6.67%	22,085,152	6.67%	-	-
Axis Bank	19,000,617	5.74%	19,000,617	5.74%	-	-

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

21 Other equity

- (A) The Company has preference share capital having a par value of INR 10 per share, referred to herein as preference share capital.

Authorized

[150,000,000] (31 March 2016: 150,000,000, 1 April 2015: 150,000,000)

Convertible Preference Shares of ₹ 10 each

31 March 2017	31 March 2016	1 April 2015
1,500.00	1,500.00	1,500.00
1,500.00	1,500.00	1,500.00

Issued, subscribed and paid up

[Nil] (31 March 2016: Nil, 1 April 2015: 133,089,346) Convertible

Preference Shares of ₹ 10 each

Total

-	-	1,330.89
-	-	1,330.89

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

(i) Reconciliation of preference shares outstanding at the beginning and at the end of the year*

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	133.09	1,330.89
Add: Issued during the year	-	-	(133.09)	(1,330.89)
Outstanding at the end of the year	-	-	-	-

(ii) Rights, preferences and restrictions attached to shares and terms of convertible preference shares

The Company has number of Compulsorily Convertible Preference Shares (CCPS) having face value of ₹ 10 each as on 31st March, 2015. According to the terms of issue, 131,241,104 number of CCPS will be converted into 131,241,104 number of equity shares of ₹ 10 each per share within one year from the date of allotment. 1,848,242 number of CCPS will be converted into 17,866 equity shares of ₹ 10 each at a premium of ₹ 1,024.50 per share at the end of fifth year, i.e. March 2019, subject to the approval of the lenders to the Company. However, pursuant to the consent of the Board of Directors of the Company in the meeting held on 28th October, 2015, the entire CCPS has been converted into equity shares at value as described supra.

(iii) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(iv) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

	31 March 2017	31 March 2016	1 April 2015
(B) Securities premium reserve (SPR)*			
Opening balance	3,545.78	3,527.48	3,527.48
Add : Securities premium credited on share issue	-	18.30	-
Closing balance	3,545.78	3,545.78	3,527.48

*SPR record premium on issue of shares to be utilized in accordance with the Act.

(C) Surplus/(deficit) in the Statement of Profit and Loss

	31 March 2017	31 March 2016	1 April 2015
Opening balance	(4,510.42)	(2,144.03)	2,003.71
Add: Profit/(loss) for the current year	24.08	(2,847.62)	(3,960.22)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	-	(24.97)
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	-	-	-
Closing balance	(4,486.34)	(4,844.43)	(2,144.03)
Total other equity	(940.56)	(1,298.63)	2,714.33

(D) Others^

	31 March 2017	31 March 2016
-As at beginning of year	5.94	-
-Re-measurement gains/ (losses) on defined benefit plans (net of tax)	9.01	5.94
Closing balance	14.95	5.94

^Includes cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable.

	31 March 2017	31 March 2016	1 April 2015
22 Non-current borrowings			
Secured from bank term loan	27,290.20	31,761.87	31,622.83
Other loans - Unsecured	1,833.87	-	-
	29,124.07	31,761.87	31,622.83

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.1 Term Loans (TL) / Equipment loans / Buyers credit:

Pursuant to the Corporate Debt Restructuring (CDR) scheme approved vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the Corporate Debt Restructuring (CDR) Cell, the Term Loans, Equipment loans and Buyers credit are restructured and the following lenders have been classified as CDR and Non - CDR lenders. Further, RBI issued circular providing for conversion of debt into equity under the Strategic Debt Restructuring (SDR) scheme. The lenders in their joint meeting held on 25 July, 2015 proposed to convert ` 2,120.00 million of debt into equity. SDR was implemented with super majority. Cumulatively the lenders have converted debt of ` 1,805.13 million into equity. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18.

CDR / SDR Lender	Non -CDR / SDR Lender
Andhra Bank	YES Bank Limited
Axis Bank Limited	Tata Motors Finance Limited.
Bank of Baroda	Siemens Financial Services Private Limited,
Bank of Maharashtra	Shriram Equipment Finance Company Limited.
Canara Bank	Phoenix ARC Private Limited
Central Bank of India	India Bulls Finance Limited
Corporation Bank	IDFC Bank Limited
Export Import Bank of India	Bajaj Finance Limited
ICICI Bank Limited	
IDBI Bank Limited	
IFCI Limited	
IndusInd Bank Limited	
Kotak Mahindra Bank Limited	
Karur Vysya Bank	
L&T Infrastructure Finance Company Limited	
Oriental Bank of Commerce	
Punjab National Bank	
South Indian Bank Limited	
State Bank of India	
State Bank of Mauritius	
Tata Capital Financial Services Limited	
Aditya Birla Finance Limited	
Standard Chartered Bank	
Dhana Lakshmi Bank	

23.2 Pursuant to the Corporate Debt Restructuring (CDR) scheme, all long-term borrowings except 14.38% Compulsory Convertible Debentures to IDFC Limited and priority debt carries rate of interest at 2.25% above SBI base rate (effective 11.55% p.a).

23.3 Pursuant to the Corporate Debt Restructuring (CDR) scheme, Term loans, equipment loans and buyers credit loans are to be repaid after a moratorium period of 23 months from 31 July, 2013 (cut- off date) in 31 / 21 structured quarterly instalments.

23.4 Pursuant to the Strategic Debt Restructure (SDR) scheme, some lenders have stopped charging the interest on the loans outstanding from the reference date i.e, 25th July, 2015 the difference between the theoretical calculation and the confirmation/statement of the account received from the lenders upto 31.03.2017 to the extent of ` 2,167.88 millions (31 March,2016: ` 1,198.26 millions) has been disclosed as contingent liability (refer note 38).

23.5 Nature of security and terms of repayment for secured borrowings:

23.5 (a). All Term Loans(TL/Equipment Loans/FITL/BCTL/WCTL) are secured / to be secured by:
1. A first pari passu charge on the fixed assets of the Company's movable and immovable properties both present and future for all term loans other than Corporate guarantee term loan (CGTL) and such term loans having exclusive charge on certain assets.
2. A second pari passu charge on all the Current Assets both present and future of the Borrower for all term loans other than CGTL.
3. The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to respective Lenders.
4. In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the Company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5. In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6. Pledge of shares of certain subsidiaries / associates and relatives of the chairman.
7. Personal guarantees of Chairman and Managing Director for all facilities under CDR.
8. Pledge of 100% unencumbered equity shares of the Company owned by the promoters' / group companies in favour of CDR lenders.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.5 (b). Additional Security for the term loans include:

Particulars
1. Loan from Axis Bank, Kotak Mahindra Bank Limited, The Karur Vysya Bank Limited, South India Bank Limited and IDBI Bank Limited is secured by Mortgage of property held by third parties, relatives and friends of the Chairman.
2. Loan from ICICI Bank is secured by hypothecation of identified equipment's and collateral security in the form of fixed deposit.
3. Loan from Siemens Financial Services Private Limited are secured by way of exclusive charge on the machinery identified.
4. Loan from Aditya Birla Finance Limited, L&T Infrastructure Finance Company Limited, Tata Capital Financial Services Limited, IFCI Limited and CDR lenders are secured by pledge of equity shares of the Company held by promoters and his relatives.
5. Corporate guarantee term loan from Export Import Bank of India (EXIM Bank) is secured by pledge of shares held by Company in Coastal Transnational Ventures (CY) Limited.
6. Loan from L&T Infrastructure Finance Company Limited are secured by way of pledge of 41,436,760 (31 March, 2016: 41,436,760) equity shares held by the Company in Jal Power Corporation Limited.
7. Loan from EXIM Bank is secured by :
a) Mortgage of property held by Selection Aluminium Wires Private Limited, Humming Bird Soft Solutions Private Limited and relatives of Chairman.
b) Undertaking regarding non-disposal of shareholding by the Company in Nepal Jalabidyut Pravardan Tatha Bikas Limited, the Company had sold 50% of its shareholding.

No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014, further amended by the order dated 28 April, 2014. Working capital loans and Cash credits carry rate of interest at 2.25% above SBI base rate (effective 11.55% p.a) and has a moratorium period of 11 months from 31 July, 2013 (cut off date).

23.5 (d). Working Capital loans are secured / to be secured by:

Particulars
1. A First pari passu charge on the Current Assets, both present and future of the Company.
2. A Second pari-passu charge on the fixed assets of the Company's movable and immovable properties both present and future.
3. The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to the respective lenders.
4. In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5. In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6. Pledge of shares of certain subsidiaries / associates and relatives of the chairman.
7. Personal guarantees of Chairman and Managing Director for all facilities under CDR.
8. Pledge of 100% unencumbered equity shares of the Company owned by the promoters in favour of CDR lenders.

23.5 (e). Working Capital loans are additionally secured by:

Particulars
1. Loan from Axis Bank Limited, Bank of Maharashtra, and State Bank of India are secured by mortgage of certain property held by friends / relatives of the Chairman.
2. Loan from Oriental Bank of Commerce is secured by mortgage of Office Building of the Company and certain property held by relative of the Chairman and Collateral Security in the form of fixed deposits.
3. Loan from Punjab National Bank, State Bank of India are secured by way of Collateral Security in the form of fixed deposits of the Company.

23.5 (f). The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	Period of Default As at 31 March 2017	Amount (` in Million)	Period of Default As at 31 March 2016	Amount (` in Million)
From banks				
Interest	1-670 Days	1,384.65	1-305 Days	1,192.19

23.5 (g). Security terms for Buyers' credit loans - refer notes 23.5 (d) & 23.5 (e).

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.6 Details of repayment terms of the term loans are:

23.6 (a) From Banks - secured

S No	Particulars	Number of outstanding Loans As at		Outstanding balance As at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Axis Bank Limited	5	5	2,617.59	2,333.85	21 to 31	21 to 31	April, 2015 to March, 2023
2	ICICI Bank Limited	9	9	3,982.03	3,624.41	21 to 31	21 to 31	April, 2015 to March, 2023
3	Kotak Mahindra Bank Limited	1	1	281.70	281.70	31	31	July, 2015 to March, 2023
4	South Indian Bank Limited	4	4	1,079.09	964.11	21 to 31	21 to 31	April, 2015 to March, 2023
5	The Karur Vysya Bank Limited	3	3	276.77	302.17	21 to 31	21 to 31	April, 2015 to March, 2023
6	Central Bank of India	3	3	794.65	725.01	21 to 31	21 to 31	April, 2015 to March, 2023
7	Andhra Bank	4	4	327.91	293.75	21 to 31	21 to 31	April, 2015 to March, 2023
8	Bank of Maharashtra	3	3	990.22	922.37	21 to 31	21 to 31	April, 2015 to March, 2023
9	Bank of Baroda	3	3	162.99	151.09	21 to 31	21 to 31	April, 2015 to March, 2023
10	Canara Bank	3	3	311.93	279.66	21 to 31	21 to 31	April, 2015 to March, 2023
11	Corporation Bank	3	3	126.77	113.83	21 to 31	21 to 31	April, 2015 to March, 2023
12	ING Vysya Bank Limited	4	4	44.89	45.67	21 to 31	21 to 31	April, 2015 to March, 2023
13	Oriental Bank of Commerce	4	4	1,071.07	972.13	21 to 31	21 to 31	April, 2015 to March, 2023
14	Punjab National Bank	4	4	1,854.97	1,854.97	21 to 31	21 to 31	April, 2015 to March, 2023
15	State Bank of Hyderabad	3	3	458.26	413.77	21 to 31	21 to 31	April, 2015 to March, 2023
16	State Bank of India	4	4	1,182.27	1,137.56	21 to 31	21 to 31	April, 2015 to March, 2023
17	State Bank of Mauritius	2	2	52.09	46.51	21 to 31	21 to 31	April, 2015 to March, 2023
18	State Bank of Travancore	4	4	931.11	844.82	21 to 31	21 to 31	April, 2015 to March, 2023
19	IDBI Bank Limited	8	8	1,363.39	1,209.02	21 to 31	21 to 31	April, 2015 to March, 2023
20	State Bank of Bikaner & Jaipur	4	4	47.37	42.71	21 to 31	21 to 31	April, 2015 to March, 2023
21	Indus Ind Bank Limited	1	1	637.81	560.73			
Total				*18,594.88	*17,119.82			

* Includes current portion of ₹ 4,480.82 million (31 March, 2016: ₹ 2,001.71)

23.6 (b) From Others - secured

S No	Particulars	Number of outstanding Loans As at		Outstanding balance As at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Aditya Birla Finance Limited	2	2	622.63	626.99	31	31	July, 2015 to March, 2023
2	Export Import Bank of India	5	5	1,788.45	1,598.28	21 to 31	21 to 31	April, 2015 to March, 2023
3	L&T Infrastructure Finance Limited	7	7	1,634.71	1,634.87	21 to 31	21 to 31	April, 2015 to March, 2023
4	Siemens Financial Services Private Limited	1	1	113.66	129.66	31	31	July, 2015 to March, 2023
5	Tata Capital Financial Services Limited	3	3	896.95	896.95	31	31	July, 2015 to March, 2023
6	IFCI Limited	2	2	905.85	905.85	21 to 31	21 to 31	April, 2015 to March, 2023
Total				*5,962.25	*5,792.60			

* Includes current portion of ₹ 1,295.60 million (31 March, 2016: ₹ 623.34)

23.7 Details of repayment terms of Equipment loans are :

23.7 (a) From Banks:

S No	Particulars	Number of outstanding Loans As at		Outstanding balance as at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Axis Bank Limited	1	1	57.71	51.48	31	31	July, 2015 to March, 2023
2	Bank of Bahrain and Kuwait	0	1	-	43.95	31	31	July, 2015 to March, 2023
3	Central Bank of India	1	1	66.77	60.83	31	31	July, 2015 to March, 2023
4	ICICI Bank Limited	1	1	139.70	127.27	31	31	July, 2015 to March, 2023
Total				*264.18	*283.53			

* Includes current portion of ₹ 52.84 million (31 March, 2016: ₹ 67.91 million)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.7 (b) From Others:

S No	Particulars	Number of outstanding Loans As at		Outstanding balance as at		Number of Outstanding installments As at		Monthly/Quarterly installments (Beginning - Ending)
		Mar'17	Mar'16	Mar'17	Mar'16	Mar'17	Mar'16	
1	Bajaj Auto Finance Limited	1	1	7.50	7.50	31	31	July, 2015 to March, 2023
2	India bulls Financial Services Limited	1	1	8.50	19.92	31	31	July, 2015 to March, 2023
3	Phoenix ARC Private Limited	1	1	233.25	233.25	31	31	July, 2015 to March, 2023
4	Reliance Capital Limited	1	1	51.00	-	36	36	May, 2017 to April, 2020
5	Shriram Equipment Finance Company Limited	1	1	98.77	103.12	31	31	July, 2015 to March, 2023
6	SREI Equipment Finance Limited	0	1	-	1,281.59	31	31	July, 2015 to March, 2023
7	Tata Capital Financial Services Limited	1	1	44.39	44.39	31	31	July, 2015 to March, 2023
8	Tata Motor Finance Limited	1	1	30.64	40.73	31	31	July, 2015 to March, 2023
	Total			*474.04	*1,730.50			

* Includes current portion of ₹ 414.03 million (31 March, 2016: ₹ 531.88)

23.8 The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	Period of Default As at 31 Mar 2017	Amount (₹ in Million)	Period of Default As at 31 Mar 2016	Amount (₹ in Million)
Debentures				
Principal	1333 Days	330.00	968 Days	330.00
Interest	16 - 1294 Days	255.07	16 - 929 Days	204.31
Term Loans				
Principal	548 Days	4,675.12	183 Days	2,184.76
Interest	670 Days	3,085.62	305 Days	1,539.60

Note:

Pursuant to the Corporate Debt Restructuring (CDR) scheme principal and interest defaults up to 31 March, 2014 have been rescheduled with respect to CDR

23.9 14.38% Compulsory Convertible Debentures :

a) 1,000 Compulsorily Convertible Debentures ("CCDs") of face value ₹ 1,000,000 each carrying a coupon rate of 14.38% were issued to IDFC Limited ("IDFC") during 2010-11, which were convertible into 1,254,051 equity shares of ₹ 10 each at the end of 39 months from the date of issue i.e. 31 March 2011. These debentures are secured by immovable property of the Company and further secured by pledge of 3,385,939 equity shares held by promoters' and personal guarantee of promoters'.

b) As per the amendatory option cum buy back agreement dated 24 May, 2013 entered with IDFC, upon happening of certain events or expiry of a particular timeline, the promoters' had to purchase CCDs at a price with an earning of annualised pre-tax yield equal to the applicable rates compounded monthly on the outstanding investment, as adjusted for monthly interest already paid by the Company ("Put Option Price") from the IDFC. It was further agreed that in the event of failure on the part of the promoters to honour their obligations to purchase the CCDs, the Company is required to buyback the CCDs from IDFC for the price and other terms and conditions set out in option agreement.

c) For year ended 31 March, 2014, IDFC had exercised the Put Option requiring the promoters' to purchase CCDs which was not honoured by them. Further, as required by the amendatory option cum buy back agreement dated 24 May, 2013, the Company could not provide a buy back option within 15 days from the respective Put Option date, due to which IDFC in terms of the conditions laid in the pledge agreement dated 31 March, 2011 invoked 3,385,939 equity shares of ₹ 10 per share pledged by the promoter's. Accordingly, 3,385,939 pledged equity shares held by the promoters' have been transferred in the name of IDFC Limited on 19 November, 2013.

d) IDFC vide its letter dated 13 November, 2013 to promoters' and the Company regarding pledged 3,385,939 equity shares of ₹ 10 each, has adjusted ₹ 670 million by invocation of the pledged shares on 19 November, 2013 which is transferred to extinguish debt and IDFC vide its letter dated 30 April, 2014 has requested the Company to pay the balance ₹ 330 million and interest amounting ₹ 170.46 million as at 31 March, 2014.

The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal.

Pending settlement of the dispute, the Company had made a provision towards interest accrued and due of ₹ 101.57 million during the year ended 31 March, 2014, the balance of ₹ 68.87 million has been disclosed as contingent liability (Refer note 38), and CCD of ₹ 330 million has been reclassified to Current maturities of Long term debt. In the current year, the Company had made provision for interest in terms of the agreement.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

23.10 Term loan from IFCI Limited:

- a) Pursuant to the Corporate Debt Restructuring (CDR) Scheme, these 15% Redeemable Debentures outstanding as at reference date i.e. 27 July, 2013 amounting to ₹ 750 million (excluding funded interest term loan) has been further converted into a term loan.
- b) IFCI Limited has filed an appeal for recovery on 14 August, 2014 before the Debt Recovery Tribunal, Delhi and claimed an amount of ₹ 831.17 million towards principal and interest dues as on June 30, 2014.
- c) Pending settlement of the dispute, the Company has recognised the Term loan of ₹ 734 million and Funded Interest Term Loan (FITL) of ₹ 84.98 million as per CDR scheme, and the balance of ₹ 45.26 million (including penal interest from July 2013 to March, 2015) is disclosed as contingent liability (Refer

23.11: In the Case of Jal Power Corporation Limited**(i) Nature of security and terms of repayment for secured borrowings - Term Loans:****From Banks**

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	As at 31 March, 2017 (Non-current + Current)
1	Punjab National Bank	Secured by pledge of 4,91,10,750 equity shares held by the holding company and subservient charge on movable and immovable assets, book debts, capital work in progress, bank accounts and all other assets of the company	55 quarterly installments commencing from Oct'2017	BPLR + 1%	165 months	55	2,405.37
		TOTAL					2,405.37

From Others

2	Power Finance Corporation Limited	Secured by pledge of 4,91,10,750 equity shares held by the holding company and subservient charge on movable and immovable assets, book debts, capital work in progress, bank accounts and all other assets of the company	55 quarterly installments commencing after 6 months of Commercial operation date	13.25%	183 months from Commercial operation date	55	3,862.31
		TOTAL					3,862.31

- 1 During the year also Company has failed with regard to serving the interest on Term loans obtained from Power Finance Corporation and Punjab National bank, as per the previous communication received from the Power Finance Corporation Ltd, the sanctioned Term Loan was Classified as Non-Performing Asset, which was Communicated to the Company vide their letter No. 04:06:2015-16:NPA, dated: 22-06-2015.
- 2 (ii) a. The original commencement of the project was 30th June 2013, which is rescheduled to 30th June 2016 due to geological conditions and capital infusion delays (As on date the Company is in the process of reassessment of delay in commencement date of project, which is inter-related to capital infusion). The Company has approached the Sikkim State government for further capital infusion with the approvals of the financial institutions (Power Finance Corporation & Punjab National bank). The Company's request with the Government of Sikkim for increase their equity participation from 26% to 51% is pending approval for which the last communication received on 26-11-2016, there is no further communication received as on the date of Balance Sheet. During the year insignificant portion of Capital work-in-progress expenses were incurred.
- 3 Accordingly the interest during the Construction is Capitalized as per Accounting Standard(AS) 16 "Borrowing Cost" notified by the Institute of Chartered Accountants of India
- 4 As required by Accounting Standard(AS) 28 "Impairment of Assets" notified by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets i.e. Capital Work in progress & is of the opinion that no provision needs to be made during the

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

24 Provisions	Long term			Short term		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits (Refer note 43)						
Provision for gratuity (unfunded)	15.07	19.18	19.77	3.17	3.29	3.36
Provision for leave encashment (unfunded)	3.75	4.28	4.25	4.59	5.42	6.06
Total Provisions	18.83	23.46	24.02	7.77	8.71	9.42
25 Other non-current liabilities	31 March 2017	31 March 2016	1 April 2015			
Interest accrued but not due	682.79	682.79	364.04			
Rent equalization reserve	-	-	1.56			
Retention money payable to sub-contractors	105.83	107.39	81.75			
Total other long term liabilities	788.62	790.18	447.35			
26 Short -term borrowings	31 March 2017	31 March 2016	1 April 2015			
Secured, from bank, term loan *						
Cash Credit	18,342.67	17,122.41	16,356.51			
Unsecured Loans:						
from related parties	-	49.91	-			
from others	-	-	0.23			
Total short-term borrowings	18,342.67	17,172.31	16,356.73			
				(I)		
* for security terms of short term Borrowings - refer notes 23.5 (d) & 23.5 (e).						
27 Trade payables	31 March 2017	31 March 2016	1 April 2015			
Total outstanding dues of micro enterprises and small enterprises	0.99	-	-			
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,560.81	2,604.67	2,590.46			
Total trade payables	2,561.80	2,604.67	2,590.46			
				(II)		
28 Other current liabilities	31 March 2017	31 March 2016	1 April 2015			
Current maturities of long-term debt	6,573.28	3,917.92	2,313.43			
Statutory due payable	231.45	362.92	658.35			
Retention money payable to sub-contractors	379.48	327.84	171.29			
Mobilisation advance from customers (net of adjustments)	1,871.58	2,272.27	1,654.51			
Machinery advance from customers	(0.00)	38.57	98.92			
Payables on purchase of fixed assets	23.43	93.66	541.25			
Interest accrued but not due on borrowings	1,761.67	1,342.10	716.04			
Interest accrued and due on borrowings	484.92	380.35	168.53			
Bank overdraft in bank current accounts	75.69	2.81	2.18			
Rent Equalisation reserve	0.98	1.45	-			
Advance from customer	154.30	50.16	87.90			
Provision for Accrued Expenses	104.63	105.75	78.70			
Total other current liabilities	11,661.40	8,895.80	6,491.08			

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

29 Revenue from operations	31 March 2017	31 March 2016
Revenue from construction contracts (net)	12,841.98	10,417.36
Total revenue from operations	<u>12,841.98</u>	<u>10,417.36</u>
30 Other income	31 March 2017	31 March 2016
Hire income	26.78	47.00
Interest income		
- on fixed deposits designated as amortized cost	18.99	78.23
- on income taxes	10.43	22.90
Miscellaneous income	79.13	26.47
Gain on sale/disposal of fixed assets	0.47	0.53
Liabilities written back	0.27	0.25
Total other income	<u>136.07</u>	<u>175.37</u>
31 Cost of material consumed	31 March 2017	31 March 2016
Inventory at the beginning of the year	2,496.92	2,767.23
Add: Purchases	3,333.58	3,609.70
Less: Inventory at the end of the year	1,879.21	2,496.92
Cost of raw material consumed	<u>3,951.29</u>	<u>3,880.01</u>
Consumption of stores and spare parts (including secondary packing material)	<u>3,951.29</u>	<u>3,880.01</u>
32 Changes in inventories of finished goods, stock-in-trade and work-in-progress	31 March 2017	31 March 2016
Inventories at the beginning of the year		
-Finished goods	-	-
-Work-in-progress	10,953.81	8,524.62
	<u>10,953.81</u>	<u>8,524.62</u>
Less: Inventories at the end of the year		
-Finished goods	-	-
-Work-in-progress	12,830.89	10,953.81
	<u>12,830.89</u>	<u>10,953.81</u>
Net decrease/ (increase)	<u>(1,877.08)</u>	<u>(2,429.19)</u>
Add: Increase decrease in excise duty on closing stock	-	-
	<u>(1,877.08)</u>	<u>(2,429.19)</u>
33 Employee benefits expense	31 March 2017	31 March 2016
Salaries, wages, bonus and other allowances	920.46	884.08
Contribution to Provident Fund and ESI	18.51	25.40
Gratuity and compensated absences expenses	(5.23)	(0.74)
Employee stock option scheme compensation	-	-
Staff welfare expenses	51.93	40.84
Total employee benefits expense	<u>985.68</u>	<u>949.57</u>
34 Finance costs	31 March 2017	31 March 2016
Interest on borrowing	4,325.41	4,967.96
Interest on delay in payment of taxes	5.72	10.44
Total finance costs	<u>4,331.13</u>	<u>4,978.40</u>
35 Depreciation and amortization expense	31 March 2017	31 March 2016
Depreciation (Refer note 6)	1,078.70	1,526.06
Amortization (Refer note 7)	-	-
Total depreciation and amortization expense	<u>1,078.70</u>	<u>1,526.06</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

36 Other expenses	31 March 2017	31 March 2016
Construction expenses	4,383.35	5,649.58
Rent	8.22	11.96
Insurance	39.57	52.06
Rates and taxes	28.15	117.67
Travel and conveyance	38.80	47.67
Directors' sitting fees	0.06	0.24
Communication, broadband and internet expenses	10.29	9.67
Legal and professional charges*	16.80	78.04
Loss on sale/disposal of fixed assets	1.55	0.06
Foreign exchange fluctuation	0.12	1.20
Miscellaneous expenses	58.36	143.77
Total other expenses	4,585.27	6,111.93

*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

As auditor:

Statutory audit	5.18	5.36
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In other capacity:

Tax audit	0.20	0.21
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Other matters	0.02	0.12
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Total	5.40	5.69
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37 Income Tax

(A) Deferred tax relates to the following:

	31 March 2017	31 March 2016
Deferred tax assets		
On property, plant and equipment	648.38	611.79
On provision for employee benefits	6.82	8.63
On disallowance u/s 40A of Income Tax Act, 1961	-	-
On unabsorbed depreciation and carry forward business losses	-	-
Current year losses	-	608.67
Previous year losses	-	-
Unabsorbed depreciation	958.11	958.11
On convertible preference shares	-	-
On others	0.04	0.41
Deferred Tax Asset	1,613.35	2,187.61

During the year 2015-16, the Company had applied for Corporate Debt Restructuring (CDR) and the same was approved by the CDR cell vide its approval letter dated 28 April, 2014. Further, based on RBI circular providing for conversion of debt into equity under the Strategic Debt Restructuring Scheme, lenders on 25 July, 2015 invoked SDR and converted debt of ₹ 1,805.13million into equity shares at par value of ₹ 10 each. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18. Based, on the future projections, considered under the SDR Scheme which was taken on record by the Board of Directors and having regard to the present order book position, improvement of future cash flows and profitability, the Company expects to fully realise the deferred tax asset in the near future.

(B) Recognition of deferred tax asset to the extent of deferred tax liability

Balance sheet	31 March 2017	31 March 2016	1 April 2015
Deferred tax asset	1,613.35	2,187.61	1,739.86
Deferred tax liabilities	-	-	-
Deferred tax assets/ (liabilities), net	1,613.35	2,187.61	1,739.86

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

38 Contingent liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
a) Counter guarantees given to banks [includes guarantees given on behalf of Joint Ventures ` 2,298.58 million (31 March, 2016: ` 2,458.83 million)]	9,958.56	10,118.81
b) Corporate guarantees given to banks for financial assistance extended to a joint venture	300.00	300.00
c) Claims against the company not acknowledged as debt:		
Interest on debentures (refer note 23.9(d))	68.87	68.87
Interest on debentures (refer note 23.10)	45.26	45.26
Interest to lenders (refer note 23.4)	2,167.88	1,198.26
Lease rentals	107.27	107.27
Disputed TDS demands	181.56	-
d) Pending litigations		
(i) Certain cases were filed by the below lender/suppliers in respect dishonor of cheques issued for repayment of borrowing including interest/dues		
L&T Infrastructure Finance Company Limited		
Central Bank of India	Amount not ascertainable	Amount not ascertainable
Tata Motors Finance Limited		
Aditya Birla Finance Limited		
Kotak Mahindra Bank Limited		
Reliable Agencies		
(ii) Certain cases were filed by the below lender in respect delay/non-repayment of borrowing including interest		
Central Bank of India		
HDFC Limited		
Bajaj Finance Limited	Amount not ascertainable	Amount not ascertainable
Tata Motors Finance Limited		
Kotak Mahindra Bank Limited		
Export Import Bank Ltd		
IFCI Limited		
(iii) The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal.	Amount not ascertainable	Amount not ascertainable
(iv) The Company is a party to various arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending litigations until the cases are decided by the appropriate authorities.	Amount not ascertainable	Amount not ascertainable
e) Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of project.	Amount not ascertainable	Amount not ascertainable

39 Capital and other commitments

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advances of ` 606.47 million (31 March, 2016: ` 1,631.87)]	-	-
Other commitments		
a) Commitment towards investment in companies [Net of advances of ` 32.01 million (31 March 2016: ` 32.01 million)]	Amounts indeterminate.	Amounts indeterminate.
b) Commitment towards investments in new hydro power companies to be set up in Arunachal Pradesh	Amounts indeterminate.	Amounts indeterminate.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

40: Segment Information

The Company's operations predominantly consist only of construction activities. Hence, there are no reportable segments under Ind AS - 108. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary by the management. Accordingly, there are no other reportable segments.

41: Related Party Disclosures

A) Following is the list of related parties and their relationship:

Associate	Nepal Jalabidyut Pravardan Tatha Bikas Limited
Joint Ventures (Jointly Controlled Operations):	Nuziveedu - Swathi - Coastal AKR - Coastal Coastal - Srivijetha Aban - Coastal HCC - Coastal Coastal - Patel - Jyothi - CBE CPPL - Chongqing Essar - DEC - CPPL Royal-CPL JV Coastal - TTS GYT - Coastal
Key Management Personnel (KMP):	Mr. S. Surendra -Chairman / Director Mr. G. Hari Hara Rao -Managing Director Mr. Sridhar Nivarthi -Director Mr. Sharad Kumar -Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Selection Aluminium Wires Private Limited Sabbineni Holdings Private Limited Coastal Sirohi Power Limited Humming Bird Soft Solutions Private Limited Siddhi Vinayak Power Generation & Distributors Pvt Limited

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

41: Related Party Disclosures (contd....)

B) Transactions with Related Parties:

Particulars	Relationship	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
Contract revenue			
AKR - Coastal	Joint Venture	206.22	120.67
GYT - Coastal	Joint Venture	344.82	748.99
HCC- Coastal	Joint Venture	1,469.30	918.54
Coastal - TTS	Joint Venture	859.74	1,607.01
CPPL - Chongqing	Joint Venture	-	55.46
Interest free unsecured loan			
Mr. S. Surendra	Key Management Personnel	-	49.90
Allotment of Equity Shares			
Mr. S. Surendra	Key Management Personnel	-	1,312.41
Loans and advance given			
Mr. G. Hari Hara Rao	Key Management Personnel	-	-
Nuziveedu - Swathi - Coastal	Joint Venture	0.99	1.04
Royal-CPL JV	Joint Venture	12.82	-
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	-	14.07
Loans and Advance Recovered / Adjusted			
Nuziveedu - Swathi - Coastal	Joint Venture	1.14	145.56
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	198.07	-
Siddhi Vinayak Power Gen & Dist Pvt Ltd	Companies in which significant influence is exercised	0.14	-
Mobilisation advance received			
Coastal - TTS	Joint Venture	142.59	-
HCC - Coastal	Joint Venture	27.25	25.75
Material advance received			
GYT - Coastal	Joint Venture	106.08	229.97
Material advance Adjusted			
GYT - Coastal	Joint Venture	51.16	481.26
Mobilisation advance repaid / Adjusted			
Coastal - TTS	Joint Venture	-	203.70
HCC - Coastal	Joint Venture	126.88	-
GYT - Coastal	Joint Venture	-	100.37
Managerial remuneration*			
Mr. G. Hari Hara Rao	Key Management Personnel	12.80	-
Mr. Sridhar Nivarthi	Key Management Personnel	7.20	-
Mr. Sharad Kumar	Key Management Personnel	7.20	-

*During the year the lenders in the Joint Lenders Forum meeting (JLF) held on 19th September, 2016 has approved the payment of minimum remuneration in according to the provisions of the Companies Act, 2013. Accordingly minimum remuneration has been provided in the year.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

41: Related Party Disclosures

C) Related Party Balances:

Particulars	Relationship	As at 31 March, 2017	As at 31 March, 2016
Trade receivables			
AKR - Coastal	Joint Venture	206.73	127.63
Coastal - Patel - Jyothi - CBE	Joint Venture	196.34	196.34
HCC - Coastal	Joint Venture	1,327.28	783.37
GYT-Coastal	Joint Venture	133.63	128.80
CPL-TTS	Joint Venture	-	1.55
Essar - DEC - CPPL	Joint Venture	1.73	1.73
Advance towards Share application money			
Coastal Sirohi Power Limited	Companies in which significant influence is exercised	100.00	100.00
Loans /Advances receivable			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	-	198.07
Royal-CPL JV	Joint Venture	12.82	-
CPPL - Chongqing	Joint Venture	258.21	258.21
S. Surendra	Key Management Personnel	2.75	2.75
G. Hari Hara Rao	Key Management Personnel	-	8.95
Nuziveedu - Swathi - Coastal	Joint Venture	546.86	547.00
Mobilisation advance payable			
Coastal - TTS	Joint Venture	142.59	-
HCC - CPL	Joint Venture	-	99.63
Coastal - Patel - Jyothi - CBE	Joint Venture	410.53	410.53
CPPL - Chongqing	Joint Venture	67.25	67.25
Material advance payable			
GYT - Coastal	Joint Venture	62.32	-
Corporate guarantee			
Nuziveedu - Swathi - Coastal	Joint Venture	300.00	300.00
Counter guarantee			
HCC - Coastal	Joint Venture	1,529.19	1,689.44
Essar- DEC- CPPL	Joint Venture	45.76	45.76
Coastal - Patel - Jyothi - CBE	Joint Venture	545.95	545.95
CPPL - Chongqing	Joint Venture	95.50	95.50
AKR - Coastal	Joint Venture	82.18	82.18
Managerial Remuneration Payable			
Mr. Sridhar Nivarthi - Whole time Director	Key Management Personnel	0.49	-
Mr. Sharad Kumar - Whole time Director	Key Management Personnel	3.43	-

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017
(Amount in INR Million, unless otherwise stated)

42 Earnings/ Loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and shares data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
Loss attributable to equity holders	33.10	(2,841.69)
Weighted average number of equity shares for basic EPS* [no's]	33,09,34,900	12,36,70,544
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	<u>33,09,34,900</u>	<u>12,36,70,544</u>
Basic loss per share (`)	0.10	(22.98)
Diluted loss per share (`)	0.10	(22.98)

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

43 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Consolidated Statement of Profit and Loss -

	31 March 2017	31 March 2016
Employers' Contribution to Provident Fund and Employee State Insurance	<u>18.51</u>	<u>25.40</u>

(B) Defined benefit plans

a) Gratuity payable to employees	18.24	22.48
b) Compensated absences for Employees	8.34	9.70

i) Actuarial assumptions

	31 March 2017	31 March 2016
Discount rate (per annum)	8.00%	8.00%
Rate of increase in Salary	10.00%	10.00%
Expected average remaining working lives of employees (years)	26.16	26.78
Attrition rate	15.00%	15.00%

ii) Changes in the present value of defined benefit obligation

	<u>Employee's gratuity fund</u>	
	31 March 2017	31 March 2016
Present value of obligation at the beginning of the year	33.49	35.03
Interest cost	2.68	2.28
Past service cost	-	-
Current service cost	3.47	4.53
Curtailements	-	-
Settlements	-	-
Benefits paid	(2.17)	(1.81)
Actuarial (gain)/ loss on obligations	(9.01)	(5.94)
Present value of obligation at the end of the year*	<u>28.46</u>	<u>34.09</u>

*Included in provision for employee benefits

iii) Expense recognized in the Statement of Profit and Loss

	<u>Employee's gratuity fund</u>	
	31 March 2017	31 March 2016
Current service cost	3.47	4.53
Past service cost	-	-
Interest cost	2.68	2.28
Expected return on plan assets	(0.80)	(0.93)
Actuarial (gain) / loss on obligations	(9.01)	(5.94)
Settlements	-	-
Curtailements	-	-
Total expenses recognized in the Consolidated Statement Profit and Loss*	<u>(3.66)</u>	<u>(0.06)</u>

*Included in Employee benefits expense. Actuarial (gain)/loss of INR (31 March 2017: INR 9.01) is included in other comprehensive income.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2017

(Amount in INR Million, unless otherwise stated)

- 44 There are certain projects which are stalled due to delay in obtaining clearances, non-receipt of dues, and non-availability of working capital. The Company is negotiating with these project customers, who are primarily government undertakings / departments for recovery of dues and commencement of project works. The Company based on its assessment and considering the invocation of Strategic Debt Restructuring Scheme (SDR) by the lenders and lenders continued financial support as explained in Note 1, the Company is hopeful of recovery of its entire dues, realisation of contracts in progress and recommence the stalled project works. Accordingly, an aggregate amount of ₹ 6,530.33 million (31 March, 2016: ₹ 6,760.10 Million), [Trade receivables included in Note 13 ₹ 573.11 million (31 March, 2016: ₹ 382.01 Million), Contracts-in progress included in Note 19 ₹ 1,175.43 million (31 March, 2016: ₹ 1,059.72 million), Unbilled Revenue included in Note 19 ₹ 2,855.61 million (31 March, 2016: ₹ 2,999.89 million), invoked bank guarantees (net of advances received) included in Note 11 ₹ 1,926.18 million (31 March, 2016: ₹ 2,133.46 million)] has been considered as good and no provision have been made as at 31 March, 2017 against such amounts recoverable from the projects. Further during the year, the company has submitted claims to the extent of ₹ 3,920.00 million to National Projects Construction Company (NPCC) towards additional cost incurred in execution of the Boarder Fencing works. Pending final arbitration award, NPCC has acknowledged the claim submitted by the company. The company has also taken necessary legal opinion on the same and accordingly it has been recognised as revenue during the year.
- 45 The Company has an investment of ₹ 843.41 million (31 March, 2016: ₹ 843.41 million) in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") a wholly owned subsidiary and has advanced share application money aggregating to ₹ 855.13 million (31 March, 2016: ₹ 855.13 million) as at 31 March, 2017. The Company had also given a corporate guarantee of USD 15.68 million, in favour of EXIM Bank, towards loan availed by CTVL to finance its acquisition of equity shares in SELI -Societa Esecuzione Lavori Idraulici SPA, Italy ("SELI"), which specializes in the manufacture of Tunnel Boring Machines (TBMs) and its maintenance. CTVL has an investment of Euro 19,410,000 in SELI, as at 31 March, 2016. The Company had acquired TBMs from SELI in the prior years and avails its services, for the maintenance of such TBMs. EXIM Bank had invoked the corporate guarantee and recovered ₹ 1,029.90 million from the Company. Based on the unaudited financial statements, CTVL has incurred loss of ₹ 0.79 million for the previous year ended 31 March, 2016 and its accumulated loss of ₹ 252.21 million as at 31 March, 2016 and the net worth is ₹ 1,703.67 million and no provision for diminution in the value of investment of ₹ 843.41 million and share application money in the subsidiary of ₹ 855.13 million has been made by the Company having regard to the call option available to the Company to realise its investment, as detailed hereunder. A shareholders' agreement was entered on 2 August, 2012, between the Company, CTVL and Qinhuangdao Tianye Tolian Heavy Industry Co. Limited, China, ("Tolian") who has the controlling stake in SELI. Pursuant to the terms of agreement, CTVL has the call option, which can be exercised between July 2013 to July 2016, to withdraw its investment in SELI at an agreed fixed price with a specified rate of return on its investment or fair market value, whichever is higher. In the event the option is not exercised by CTVL, before July 2016, the Company, CTVL and Tolian, should re-negotiate, based on 31 July 2016 option price and same criteria should be used for the period of time, subsequent to the expiration date. In case of a dead lock, Tolian has an irrevocable right to acquire the shares held by CTVL at the option price or fair market value determined by an independent expert, whichever is higher. Considering the long term business interests, CTVL has started discussion with SELI and Tolian for amicable settlement of all outstanding issues. Accordingly, in the view of the management, the realisable value of the call option is higher than the carrying value of the investment held by CTVL in SELI as at 31 March, 2017.
- 46 Advance to suppliers, sub-contractors and others include an amount of ₹ 87.08 million (31 March, 2016: ₹ 87.08 million) adjusted by a IDBI Bank Limited from the Company's bank account towards interest sacrificed by them. As per the minutes of the Joint Lenders Forum (JLF) held on 25 July, 2014 it was proposed that the amount should be refunded to TRA Account or to be adjusted against future interest payable to the lender. Hence, the same has been recognised as other advance pending future adjustments.
- 47 Upon invocation of the pledge by IDFC Limited, 33,85,939 equity shares of ₹ 10 each held by the promoters in the Company, has been transferred to IDFC Limited during the previous year. IDFC Limited has adjusted an amount of ₹ 670 million against its dues, based on its internal valuation. Such adjusted amount of ₹ 670 million has been disclosed as promoters' contribution not attracting interest. The promoters' along with the Company had filed an appeal with respect to the valuation of adjusted equity shares with Debt Recovery appellate tribunal on 31 July, 2014. During the year 2015-16, the Company had applied for Corporate Debt Restructuring (CDR) and the same was approved by the CDR cell vide its approval letter dated 28 April, 2014. Further, based on RBI circular providing for conversion of debt into equity under the Strategic Debt Restructuring Scheme, lenders on 25 July, 2015 invoked SDR and converted debt of ₹ 1,805.13 million into equity shares at par value of ₹ 10 each. Under the SDR change management scheme, during the year a debt restructuring plan was submitted by one of the prospective buyer of the lender's equity, and is currently under active consideration by the lenders. This plan is expected to be implemented in the current financial year i.e., 2017-18. Based on the future projections, considered under the SDR Scheme which was taken on record by the Board of Directors and having regard to the present order book position, improvement of future cash flows and profitability, the Company expects to fully realise the deferred tax asset in the near future.
- 48 Additional disclosure required as per General Instruction given in schedule III with regard to the preparation of Consolidated Financial Statements is annexed at note no 48A. Form AOC-1 as required under section 129(3) of the Companies Act, 2013 read with Rule 5 of Company (Accounts) Rules 2014 is annexed at Note no 48B.
- 49 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

For and on behalf of the Board of Directors

Sd/-

Manas Kumar Mania

Partner

(Membership No 300113)

Sd/-

S. Surendra

Chairman

Sd/-

G.Hari Hara Rao

Managing Director

Sd/-

N.Varalakshmi

Company Secretary

Place: Bhubaneswar

Date: 06 September, 2017

Place: Hyderabad

Date: 06 September, 2017

ATTENDANCE SLIP

COASTAL PROJECTS LIMITED.

CIN: U452503OR1995PLC003982

**Registered Office: Plot no. 237, 2nd Floor, Bapujee Nagar,
Bhubaneswar, Orissa - 7510009**

(Please fill this attendance slip and hand it over at the entrance of the Meeting Hall)

DP ID*	
---------------	--

Folio Number	
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Client ID*	
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Name of the Member (in BLOCK letters):

I/We certify that I/We am/are registered shareholder/ authorised representative/proxy for the registered shareholder** of the Company. I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company to be held at Hotel Trident, CB-1 Nayapalli, Bhubaneswar 751 013 on Thursday, the 02nd November, 2017 at 10.30 A.M.

.....
Signature of the Shareholder /Authorized Representative/Proxy **

* Applicable for investors holding shares in electronic form

** Strike out whichever is not applicable

Form No. MGT – 11

Proxy form

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

CIN: U452503OR1995PLC003982

Name of the company: Coastal Projects Limited

Registered office: 237 Bapuji Nagar, 2nd Floor, Bhubaneswar, Orissa - 751009

Name of the member:

Registered address:

E-mail Id:

Client Id :

DP ID:

I/we, being the member(s) of _____ Equity shares of the above named company, hereby appoint,

Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company "Coastal Projects Limited" to be held on Thursday, the 02nd November, 2017 at 10.30 A.M and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number
Ordinary Resolution
1. To receive, consider, adopt and approve the audited Financial Statements of the Company for the Financial Year ended as on 31 st March, 2017 together with the Reports of Directors and Auditors thereon.
2. To regularize the appointment of Additional Director Mr. T.V.A.L.N.V.D Srinivasa Rao (DIN: 01633877).
3. To re-appoint Director Mr S. Surendra (DIN: 00398152) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider appointment of M/s Pavuluri & Co. Practicing Chartered Accountants, Hyderabad as the Statutory auditors of the Company.
Special Resolution
4. Shifting of registered office of the Company from state of Orissa to Hyderabad i.e., the state of Telangana.
5. Ratification of cost auditor remuneration.

Affix
Revenue
Stamp

Signed this on _____, 2017

Signature of shareholder:

Signature of Proxy holder:

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP



AIRPORT TO AGM VENUE



RAILWAY STATION TO AGM VENUE