

INDEPENDENT AUDITOR'S REPORT

**To the Members of
ALIPURDUAR TRANSMISSION LIMITED:**

Report on Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **ALIPURDUAR TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March 2018 and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 financial statements. We believe that the audit

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- (b) In case of the Statement of Profit and Loss, there was neither profit nor loss for the year ended 31st March, 2018 ;
- (c) In case of the Cash Flow Statement, of the cash flows for the year ended 31st March, 2018;and
- (d) In case of the Statement of Changes of Equity, of the changes in equity for the year ended 31st March, 2018.

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 Companies Act, 2013, we enclose in the **Annexure-1**, a statement on the matters specified in paragraph 3 and 4 of the said order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
 - e) on the basis of written representation received from the directors as on 31st March,2018 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls has been reported by way of **Annexure -2**.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jhalani & Co.
Chartered Accountants
Firm Registration No: 003675N

(Manish Gupta)
Partner
Membership No. 093524

Place: New Delhi
Date: 22nd May, 2018

The Annexure 1 referred to in our report to the members of even date on the Ind AS financial statements of ALIPURDUAR TRANSMISSION LIMITED for the year ended 31st March, 2018, we report that:

The matters contained in paragraph 3 of the Companies (Auditor's Report) Order, 2016, are as follows:

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b) The fixed assets were physically verified by the management during the year and no discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and the records examined by us, the company does not have any immovable property and hence, this sub-clause is not applicable.
- ii) The company does not have any inventory as on the date of report. Therefore the provisions of clause (ii) of the said order are not applicable to the company.
- iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of Clause (iii) (a), Clause (iii) (b) and Clause (iii) (c) of the said Order are not applicable to the Company.
- iv) The company has neither granted any loan nor made any investment nor issued any guarantee and security. Therefore, clause (iv) of the said Order is not applicable to the company.
- v) To the best of our knowledge and according to the information and explanations given to us, the company has not accepted any deposits covered under Section 73 to Section 76 or any other provisions of the Companies Act, 2013. No order was passed by Company Law Board /RBI or any other Court or Tribunal.
- vi) Maintenance of cost records under Section 148 (1) of the Companies Act, 2013 as prescribed by Central Government, is not applicable to the company.
- vii) According to the information and explanations given to us and the records of the company examined by us, in respect of statutory dues :
 - a) The company has been regular in depositing undisputed statutory dues of Income Tax, VAT and Service Tax, GST and cess with the appropriate authorities. There were no undisputed dues in arrears as at 31st March, 2018 for a period of more than six months from the date they become payable. Provisions of other Statute mentioned in the Order are not applicable to the company.
 - b) There are no dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or GST on account of any dispute.
- viii) In our opinion, the Company has not defaulted in repayment of dues to Financial Institutions or Banks. The company has not issued any debentures.

- ix) No money has been raised by the company by way of initial public offer or further public offer (including debt instruments). Term loans raised during the year were applied for the purpose those were raised.
- x) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year of audit; therefore reporting under the clause is not applicable.
- xi) The company has not paid any remuneration to any managerial person and therefore, Clause (xi) of the said Order is not applicable to the company.
- xii) The company is not a Nidhi Company and therefore the reporting clause is not applicable.
- xiii) Transactions entered into with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and their details have been duly disclosed in the Ind AS financial statements as required by the “Ind AS 24- Related Party Disclosures”.
- xiv) During the year under review the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures U/s 42 of the Companies Act, 2013. The company has issued right shares to its holding company and funds raised have been used for the purpose for which funds were raised.
- xv) The company has not entered into any non-cash transaction of nature mentioned in Section 192 with any director or persons connected with him. Therefore, clause xv of the said order is not applicable to the company.
- xvi) The company is not engaged in any non-banking finance business and therefore, it is not required to be registered under Section 45-IA of the Reserve bank of India Act, 1934.

For Jhalani & Co.
Chartered Accountants
Firm Registration No. 003675N

(Manish Gupta)
Partner
Membership No. 093524

Place: New Delhi
Date: 22nd May, 2018

Annexure 2 referred to in our report of even date to the members of “M/s Alipurduar Transmission Limited” on the Ind AS financial statements for the year ended 31st March, 2018.

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

We have audited the internal financial controls over financial reporting of “ALIPURDUAR TRANSMISSION LIMITED” (“the Company”) for the year ended 31st March 2018, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (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 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 years are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Jhalani & Co.
Chartered Accountants
Firm Registration No. 003675N

(Manish Gupta)
Partner
Membership No. 093524

Place: New Delhi
Date: 22nd May, 2018

ALIPURDUAR TRANSMISSION LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	(Rs. In Lakhs)	
		As at March 31,2018	As at March 31,2017
ASSETS			
Non-current assets			
(a) Property Plant and Equipments	3	0.25	-
(b) Capital Works in Progress	4	72,184.73	9,553.61
(c) Financial Assets			
(i) Others	5	3.00	13.00
(d) Other Non Current Assets	6	3,357.80	8,856.48
Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	7 (i)	2,343.33	31.81
(ii) Other Bank Balance	7 (ii)	16.66	5.00
(b) Current Tax Assets (Net)	8	0.18	0.06
(c) Other Current Assets	9	381.73	4.44
TOTAL ASSETS		78,287.68	18,464.40
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	4,147.00	2,145.00
(b) Other Equity	11	10,286.74	5,321.28
		<u>14,433.74</u>	<u>7,466.28</u>
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	37,456.55	5,291.69
(ii) Other Financial Liabilities	13	277.55	62.73
		<u>37,734.10</u>	<u>5,354.42</u>
Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	14	25,995.78	5,320.76
(b) Other Current Liabilities	15	122.66	322.62
(c) Provisions	16	1.40	0.32
		<u>26,119.84</u>	<u>5,643.70</u>
TOTAL EQUITY AND LIABILITIES		78,287.68	18,464.40

Significant Accounting Policies

1 & 2

The accompanying notes 1 to 25 are an integral part of the financial statements.

As per our report of even date attached.

For Jhalani & Co.

Chartered Accountants

Firm's Registration No. :003675N

For and on behalf of the Board

Shruti Dave

CFO

M.K Harsh

Director

(DIN: 02464943)

Manish Gupta

Partner

Membership No.:093524

Krunal Shah

Company Secretary

Dinesh Babulal Patel

Director

(DIN : 03443006)

Place : New Delhi

Date : 22nd May 2018

Place : Gandhinagar

Date : 21st May 2018

ALIPURDUAR TRANSMISSION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	(Rs. In Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue		
Revenue from Operations	-	-
Total	-	-
Expenditure		
Total	-	-
Profit before tax	-	-
Tax Expense	-	-
Net Profit for the year	-	-
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	-	-
Earnings per Equity Share		
(1) Basic	-	-
(2) Diluted	-	-

Significant Accounting Policies 1 & 2

The accompanying notes 1 to 25 are an integral part of the financial statements.

As per our report of even date attached.

For Jhalani & Co.

Chartered Accountants

Firm's Registration No. :003675N

For and on behalf of the Board

Shruti Dave
CFO

M.K Harsh
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(DIN: 02464943)

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Membership No.:093524

Krunal Shah
Company Secretary

Dinesh Babulal Patel
Director
(DIN : 03443006)

Place : New Delhi
Date : 22nd May 2018

Place : Gandhinagar
Date : 21st May 2018

ALIPURDUAR TRANSMISSION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

	Particulars	2017-18	2016-17
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net profit/(loss) before taxation	-	-
	OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	-	-
	Adjustment for Increase/decrease in working capital:	-	-
	NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	-	-
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Payment for Capital Work in Progress	(37,035.37)	(11,114.02)
	Payment for Property, Plant and Equipment	(0.25)	-
	Deposits With Bank	-	(18.00)
	CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(37,035.62)	(11,132.02)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from Issue of Equity Shares including Share Premium	7,007.00	7,490.00
	Share Issue Expenses	(39.54)	(28.39)
	Proceeds from Long Term Borrowing	31,457.86	2,721.69
	Adjustment of Other Financial liabilities	214.82	62.73
	Loan From Holding company	707.00	913.82
	Security Deposit for VAT Registration	-	(0.25)
	NET CASH FROM FINANCING ACTIVITIES (C)	39,347.14	11,159.60
D.	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A) + (B) + (C)	2,311.52	27.58
E.	Opening Cash and Cash Equivalent	31.81	4.23
F.	Closing Cash and Cash Equivalent	2,343.33	31.81
	Cash and Cash Equivalent at the end of the year comprises		
	Balances with Bank -In Current Accounts	2,343.33	31.81
	- in Deposit Account	-	-
	Cash and Cash Equivalent as per Cash Flow Statement	2,343.33	31.81

As per our report of even date attached.

For Jhalani & Co.

Chartered Accountants

Firm's Registration No. :003675N

For and on behalf of the Board

Shruti Dave
CFO

M.K Harsh
Director
(DIN: 02464943)

Manish Gupta
Partner
Membership No.:093524

Krunal Shah
Company Secretary

Dinesh Babulal Patel
Director
(DIN : 03443006)

Place : New Delhi
Date : 22nd May 2018

Place : Gandhinagar
Date : 21st May 2018

ALIPURDUAR TRANSMISSION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2018

a. Equity share capital

(Rupees in Lakhs)

Particulars	Note No.	As at March 31, 2018		As at March 31, 2017	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period		2,14,50,000.00	2,145.00	50,000.00	5.00
Changes in equity share capital during the year		2,00,19,986.00	2,002.00	2,14,00,000.00	2,140.00
Balance at the end of the reporting period		4,14,69,986.00	4,147.00	2,14,50,000.00	2,145.00

b. Other equity

(Rupees in Lakhs)

Particulars	Note No.	Reserves & Surplus		Total
		Securities Premium Account	Retained earnings	
Balance as at April 1, 2016		-	(0.33)	(0.33)
Premium on Equity shares issued during the year		5,350.00	-	5,350.00
Share issue expenses		(28.39)	-	(28.39)
Balance as at March 31, 2017		5,321.61	(0.33)	5,321.28
Premium on Equity shares issued during the year		5,005.00	-	5,005.00
Share issue expenses		(39.54)	-	(39.54)
Balance as at March 31, 2018		10,287.07	(0.33)	10,286.74

As per our report of even date attached.

For Jhalani & Co.

Chartered Accountants

Firm's Registration No. :003675N

Manish Gupta

Partner

Membership No.:093524

Place : New Delhi

Date : 22nd May 2018

Shruti Dave

CFO

Krunal Shah

Company Secretary

Place : Gandhinagar

Date : 21st May 2018

For and on behalf of the Board

M.K Harsh

Director

(DIN: 02464943)

Dinesh Babulal Patel

Director

(DIN : 03443006)

1. CORPORATE INFORMATION

The Company was incorporated on 13.04.2015 at New Delhi as a subsidiary of REC Transmission Projects Company Ltd (RECTPCL). The company is a special purpose vehicle incorporated to develop Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan under tariff based competitive bidding (TBCB). Pursuant to the bid process by the REC Transmission Projects Company Ltd. and on the completion of the TBCB process, entire shareholding of the company has been transferred to Kalpataru Power Transmission Ltd. and its nominees on 06.01.2016 and accordingly, from that date the company has become a wholly owned subsidiary of the Kalpataru Power Transmission Ltd.

2. SIGNIFICANT ACCOUNTING POLICIES**A. Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

B. Basis of preparation of Financial Statement

These standalone financial statement for the year ended March 31, 2018 have been prepared in accordance with Ind AS. The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

C. Use of Estimates

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

D. Revenue Recognition

Interest income is recognized on time proportion basis.

E. Income taxes

Income tax expense comprises current tax expense and net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised..

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

F. Employee Benefits**a) Short-term employee benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b) Gratuity Provision

During the year number of employees in the company are less than the minimum number of employees as specified in Payment of Gratuity Act. Hence provisions of Payment of Gratuity Act are not applicable to the Company. Consequently IND AS-19 is not applicable to the company.

ALIPURDUAR TRANSMISSION LIMITED**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON MARCH 31,2018**

G. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

H. Provisions and Contingent Asset /Liabilities

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

A disclosure for a **contingent liability** is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

I. Property, Plant and equipment

The expenses incurred during construction period including administrative expenses and Interest have been treated as Capital Work in Progress.

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance/borrowing costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

J. Depreciation

Depreciation is provided on all depreciable Property, Plant and equipment over useful life of the assets estimated by the management. Depreciation is provided on Straight Line Method (SLM) basis.

K. Impairment

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

L. Operating Cycle

Operating cycle for the business activities of the company covers the duration of the specific project/contract including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective project/contract

M. Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

ALIPURDUAR TRANSMISSION LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31,2018

Note-3 Property, Plant & Equipments

(Rs in Lakhs)

Particulars	Gross Carrying Block			Depreciation			Net Carrying Block	
	As at April 01, 2017	Additions	As at March 31, 2018	As at April 01, 2017	For the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computers and Printers	-	0.27	0.27	-	0.02	0.02	0.25	-
Total	-	0.27	0.27	-	0.02	0.02	0.25	-

ALIPURDUAR TRANSMISSION LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31,2018

Note 4	Capital Work In Progress	(Rs.in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
	(A) Plant and Equipment		
	Material Cost *	48,167.77	3,495.29
	Material in Transit	192.66	-
	Job Work Charges	15,033.55	3,090.73
	Entry Tax	813.38	367.50
	Freight & Insurance	2,535.94	210.25
		66,743.31	7,163.77
	(B) Expenditure Pending Allocation		
	Crop Compensation	624.67	30.33
	Employee Benefit Expenses	70.48	13.08
	Finance Cost During Construction Period		
	Interest Cost	1,822.05	71.15
	Other Borrowing Cost	661.38	234.20
		2,483.43	305.34
	Legal & Professional Charges	1,985.28	1,904.47
	LC Charges	68.46	-
	Insurance	95.30	72.67
	Auditors Remuneration	3.04	1.80
	Director's Sitting Fees	0.93	0.23
	Rates & Taxes	42.05	41.91
	Supervision charges	22.30	-
	Transmission License Fees	36.20	31.15
	Miscellaneous Expenses	36.13	14.41
	Less: Sale of Bid documents	(25.00)	(25.00)
	Less: Interest Income	(1.85)	(0.55)
		5,441.42	2,389.84
	Total	72,184.73	9,553.61
	* Includes construction materials stock at site Rs. 25,176.10 lakhs (previous year NIL).		
Note 5	Financial Assets (Non Current)		
	(i) Others		
	Deposits with Bank having original maturity more than 12 months (under lien)	3.00	13.00
	Total	3.00	13.00
Note 6	Other Non Current Asset		
	Capital Advances to Holding Company	3,296.68	8,856.23
	Security Deposit	0.25	0.25
	Prepaid Expenses	60.87	-
	Total	3,357.80	8,856.48
Note 7(i)	Cash and Cash Equivalent		
	Balance with bank in Current Account	2,343.33	31.81
		2,343.33	31.81
Note 7(ii)	Other bank balances		
	Fixed Deposit with bank under Lien having original maturity more than 3 months but less than 12 months	16.66	5.00
		16.66	5.00
	Total	2,359.99	36.81
Note 8	Current Tax Assets (Net)		
	Advance Income Tax and TDS (net of provision of tax)	0.18	0.06
	Total	0.18	0.06
Note 9	Other Current Assets (Unsecured, considered good unless otherwise stated)		
	Advances other than Capital Advances		
	- Service Tax Receivable	3.94	3.94
	- Prepaid Expenses	377.79	-
	- Accrued Interest Income	-	0.50
	Total	381.73	4.44

Note 10	Equity Share Capital	(Rs.in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
	Authorised		
	7,00,00,000 Equity shares of Rs.10/- each (previous year: 2,20,00,000 Equity shares of Rs. 10/- each)	7,000.00	2,200.00
	Issued Subscribed & Paid up		
	4,14,69,986 fully paid up Equity shares of Rs. 10/- each (previous year: 2,14,50,000 Equity shares of Rs. 10/- each)	4,147.00	2,145.00
	Closing Balance	4,147.00	2,145.00

10.1 Reconciliation of the shares outstanding at the beginning and at the end of reporting period

Particulars	As at March 31,2018		As at March 31,2017	
	Number	Rs. (In lakhs)	Number	Rs. (In lakhs)
Shares outstanding at the beginning of the year	2,14,50,000	2,145.00	50,000	5.00
Shares Issued during the year	2,00,19,986	2,002.00	2,14,00,000	2,140.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,14,69,986	4,147.00	2,14,50,000	2,145.00

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends

10.2 and the repayment of capital:

The company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

10.3 Shares held by holding Company and its subsidiaries/associates

Name of Shareholder	As at March 31,2018		As at March 31,2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kalpataru Power Transmission Ltd. and its Nominees	4,14,69,986	100%	2,14,50,000	100%

10.4 Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31,2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kalpataru Power Transmission Ltd. & its Nominees	4,14,69,986	100%	2,14,50,000	100%

Note 11 Other Equity

	(Rs.in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Securities Premium Account :		
Opening Balance	5,321.61	-
Add: Premium on Equity Shares issued during the Year	5,005.00	5,350.00
Less: Share Issue Expenses	39.54	28.39
Closing Balance	10,287.07	5,321.61
Statement of Profit & Loss		
Opening Balance	(0.33)	(0.33)
Profit for the current year	-	-
Closing Balance	(0.33)	(0.33)
Total	10,286.74	5,321.28

ALIPURDUAR TRANSMISSION LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31,2018

Note 12	Borrowings	(Rs.in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
	Secured		
	Term Loan From Banks (refer note 12.1)	34,179.55	2,721.69
	Unsecured		
	Long Term Borrowings from Holding Company (refer note 12.2)	3,277.00	2,570.00
	Total	37,456.55	5,291.69

12.1 Security and Repayment Terms- Secured Loan

The term loan facility by bank is secured by first charge by way of hypothecation of entire moveable property , tangible & Intangible assets, all rights in respect of project documents and insurance contracts, receivables, book debts, investments, operating cash flows, transmission License, all the current assets and all the other assets both present and future.The term loan facility by banks and financials institution is also secured in favour of consortium members by first charge on pari passu basis by way of pledge of shares by sponser upto 51% of the paid up equity of the company.

Interest is payable at MCLR + spread which is re-set on yearly basis.The Loan is repayable by way of monthly installments in approximately 16 years started from 30/09/2019.

12.2 Unsecured Loan- Terms & Conditions

Unsecured Loan from Holding company is repayble alongwith interest after all obligations under Common Rupee Term Loan Agreement with lender have been irrevocably and unconditionally discharged in full. Loan carries interest at 7.31% per annum which is re-set on yearly basis.

Note 13 Other Non-Current Financial Liabilities

Interest accrued but not due on unsecured borrowings	277.55	62.73
Total	277.55	62.73

Note 14 Other Current Financial Liabilities

Creditors for Capital Expenditure	12,393.18	5,319.31
Acceptance	13,602.59	-
Interest accrued and due on borrowings	-	1.45
Interest due on statutory liabilities	0.01	-
Total	25,995.78	5,320.76

Note 15 Other Current Liabilities

Statutory Liabilities	122.66	322.62
Total	122.66	322.62

Note 16 Provisions (Current)

Provision for Employee Benefits	1.40	0.32
Total	1.40	0.32

Note 17 Leases

The Company's leasing/licensing arrangement are in respect of Office Premises. These leasing arrangement are for a period not exceeding one year. The lease rental charged as Rent in financial statment is Rs 1.84 Lakh (Previous Year Nil). Future lease rental payable for not later than one year is Rs 0.69 lakh (Previous Year NIL) and for later than 1 year but not later than 5 years is Rs NIL (previous year Rs. NIL)

Note 18 Out of Proceeds from Right issue of equity shares, unutilised amount of Rs 2053 Lakhs as on year end date is kept in current account with bank.

Note 19 Capital and Other Commitments

	(Rs.in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	17,404.63	70,786.07

ALIPURDUAR TRANSMISSION LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31,2018

20 Related Party disclosures as required by Ind AS -24 is as below :

List of Related Parties:

I.Entities having Substantial Interest

Kalpataru Power Transmission Limited- Holding Company

II.Key Management Personnel:

(a) Dinesh Babulal Patel

Director

(b) M.K. Harsh

Director

(c) Saurabh Gupta

Director

(d) Rajeev Dalela

Director

Transactions with related parties:

(Rs.in Lakhs)

Particulars	2017-18	2016-17
Kalpataru Power Transmission Limited, Holding Company		
Issue of share capital	7,007.00	7,490.00
Unsecured Loan Taken	707.00	976.55
Interest on Loan	238.69	69.70
Purchase (including Goods in Transit)	44,865.15	3,495.30
Job Charges	11,942.83	3,090.73
Freight & Insurance	2,325.70	210.25
Rent Expenses	0.07	0.06
Reimbursement of Expenses	-	46.59
Total	67,086.43	15,379.18

Balance with Related Parties

(Rs.in Lakhs)

Particulars	2017-18	2016-17
Kalpataru Power Transmission Limited, Holding Company		
Loans Taken	3,277.00	2,570.00
Interest due on loan	277.55	62.73
Advance Given	3,296.68	8,856.23
Trade Payable	12,379.11	5,315.00

21 **Auditors Remuneration**

(Rs.in Lakhs)

Particulars	2017-18	2016-17
Audit Fee	1.19	0.92
Certificate Fee	0.82	0.20
Other Services	-	0.35
Total	2.02	1.12

22 Based on the information received and available with the company, there are no enterprise covered under Micro Small and Medium Enterprise Development Act, 2006

23 **Segment Information**

Company is engaged in the business of operating and maintaining the transmission lines and related operations in India. There are no separate reportable segment, as per the reporting and disclosures requirement prescribed by Indian Accounting Standard 108 - Operating Segments.

24 Figures have been rounded off to the nearest rupee.

25 Previous year figures have been regrouped and/or rearranged wherever considered necessary

As per our report of even date attached.

For Jhalani & Co.

Chartered Accountants

Firm's Registration No. :003675N

For and on behalf of the Board

Shruti Dave
CFO

M.K Harsh
Director
(DIN: 02464943)

Manish Gupta

Partner

Membership No.:093524

Krunal Shah
Company Secretary

Dinesh Babulal Patel
Director
(DIN : 03443006)

Place : New Delhi

Date : 22nd May 2018

Place : Gandhinagar

Date : 21st May 2018