

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAPU HYDROPOWER PROJECTS LIMITED

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of **PAPU HYDROPOWER PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March, 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow 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 Standalone Financial Statements

2. 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 to 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 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 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

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 Ind AS financial statements.
7. 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

8. 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, of the state of affairs of the Company as at March, 31, 2017, and its loss and its cash flows for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31,2016 and the transition date opening balance sheet as at April 1,2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March,31 2016 and March 31,2015 prepared in accordance with the Companies(Accounting Standards) Rules, 2006(as amended) which were audited by us, on which we expressed an unmodified opinion dated May,9 2016 and May,19 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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 statement of cash flows 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March, 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - 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 knowledge and belief and according to the information and explanations given to us:

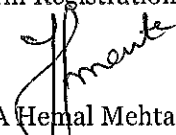


- i) The Company does not have any pending litigations as at March, 31, 2017 which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts as at March, 31, 2017.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March, 31, 2017.
- iv) The company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 11 to the Ind AS financial statements.

Kolkata
Dated: 15th May, 2017



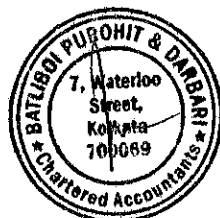
For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number: 303086E


(CA Hemal Mehta)
Partner
Membership Number 063404

Annexure-A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Papu Hydropower Projects Limited on the Ind AS financial statements as of and for the year ended March, 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company does not have any inventory and accordingly the provisions of Clause 3(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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) & (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of provident fund and income tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loan or borrowings from any financial institution or bank or Government nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.



Annexure-A to Independent Auditors' Report

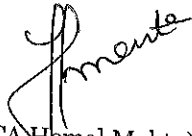
Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Papu Hydropower Projects Limited on the Ind AS financial statements for the year ended March, 31, 2017
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- xi. According to the information and explanations provided to us, managerial remuneration has not been paid or provided by the company during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review³⁹. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number: 303086E



Kolkata
May 15TH May, 2017


(CA Hemal Mehta)
Partner
Membership Number 063404

Annexure-B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Papu Hydropower Projects Limited on the Ind AS financial statements for the year ended March 31, 2017

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

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

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Act.

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. 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

6. 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



Annexure-B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Papu Hydropower Projects Limited on the Ind AS financial statements for the year ended March 31, 2017

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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.

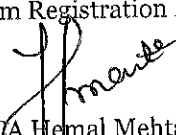
Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

Kolkata
Dated: 15th May, 2017



For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number: 303086E


(CA Hemal Mehta)
Partner

Membership Number 063404

Papu Hydropower Projects Limited

Registered Office: Thapar House, 124 Janpath, 2nd Floor, Western Wing, New Delhi - 110001.

Balance Sheet as at 31st March, 2017

Particulars	Note	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Capital work-in-progress	2	59,89,435	59,89,435	39,36,749
Total non-current assets		59,89,435	59,89,435	39,36,749
Current assets				
Financial assets		-	-	-
i. Cash and cash equivalents	3	18,97,406	19,79,891	100,19,992
Other current Assets	4	68,222	1,18,222	-
Total current assets		19,65,628	20,98,113	100,19,992
Total assets		79,55,063	80,87,548	139,56,741
EQUITY AND LIABILITIES				
Equity	5(a)	282,06,150	282,06,150	282,06,150
Other Equity	5(b)(i)	(202,79,837)	(201,47,352)	(200,25,597)
Total equity		79,26,313	80,58,798	81,80,553
Liabilities				
Current liabilities				
i. Other financial liabilities	6	28,750	28,750	57,66,780
Other current liabilities	7	-	-	9,408
Total current liabilities		28,750	28,750	57,76,188
Total liabilities		28,750	28,750	57,76,188
Total equity and liabilities		79,55,063	80,87,548	139,56,741

Significant accounting policies

Notes 1-17 form an integral part of financial statements.

This is the Balance Sheet referred to in our report of even date.

For Batliboi, Purohit & Darbari
Firm Registration Number:303086E

Chartered Accountants

CA Hemal Mehta
Partner

Membership.No. 063404

Place: Kolkata

Date: 15th May, 2017



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

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Statement of profit and loss for the year ended 31st March, 2017

Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from Operations		-	-
Other Income		-	-
Total Income		-	-
Expenses			
Other Expenses	8	1,32,485	1,21,755
Total Expenses		1,32,485	1,21,755
Profit before exceptional items and tax		(1,32,485)	(1,21,755)
Profit before tax		(1,32,485)	(1,21,755)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Total tax expenses		-	-
Profit for the period from continuing operations		(1,32,485)	(1,21,755)
Discontinued operations			
Profit from discontinued operation before tax		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations		-	-
Profit for the year		(1,32,485)	(1,21,755)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to above items		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,32,485)	(1,21,755)
Profit is attributable to:			
Owners of Papu Hydropower Projects Limited		(1,32,485)	(1,21,755)
Other comprehensive income is attributable to:			
Owners of Papu Hydropower Projects Limited		-	-
Total comprehensive income is attributable to:			
Owners of Papu Hydropower Projects Limited		(1,32,485)	(1,21,755)
Total comprehensive income is attributable to owners of Papu Hydropower Projects Limited arises from:			
Continuing operations		(1,32,485)	(1,21,755)
Discontinued operations		-	-
		(1,32,485)	(1,21,755)
Earning per equity share for profit from continuing operations attributable to owners of Papu Hydropower Projects Limited:			
Basic earnings per share	9	(0.05)	(0.04)
Diluted earnings per share	9	(0.05)	(0.04)
Earning per equity share for profit from discontinued operations attributable to owners of Papu Hydropower Projects Limited:			
Basic earnings per share		-	-
Diluted earnings per share		-	-
Earning per equity share for profit from continued and discontinued operations attributable to owners of Papu Hydropower Projects Limited:			
Basic earnings per share	9	(0.05)	(0.04)
Diluted earnings per share	9	(0.05)	(0.04)

Significant accounting policies

Notes 1-17 form an integral part of financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Batliboi, Purohit & Darbari

Firm Registration Number:303086E

Chartered Accountants

CA Hemal Mehta

Partner

Membership.No. 063404

Place: Kolkata

Date: 15th May, 2017



For and on behalf of the Board

Director

Director

Papu Hydropower Projects Limited

Registered Office: Thapar House, 124 Janpath, 2nd Floor, Western Wing, New Delhi - 110001.

Statement of cash flows for the year ended 31st March, 2017

Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities			
Profit before income tax from continuing operations		(1,32,485)	(1,21,755)
Adjustments for:			
Depreciation and amortisation expenses			
Changes in operating assets and liabilities			
Decrease in other current assets	4	50,000	(1,18,222)
Decrease in other financial liabilities	6	-	(57,38,030)
Decrease in other current liabilities	7	-	(9,408)
Cash generated from operations		(82,485)	(59,87,415)
Income taxes paid		-	-
Net cash outflow from operating activities		(82,485)	(59,87,415)
Cash flows from investing activities			
Payments for capital work in progress	2	-	(20,52,686)
Net cash outflow from investing activities		-	(20,52,686)
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Net cash inflow from financing activities		-	-
Net decrease in cash and cash equivalents		(82,485)	(80,40,101)
Cash and cash equivalents at the beginning of the financial year	3	19,79,891	100,19,992
Cash and cash equivalents at the end of the year	3	18,97,406	19,79,891

Significant accounting policies

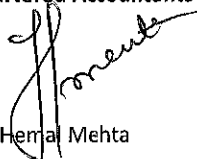
Notes 1-17 form an integral part of financial statements.

This is the Statement of cash flows referred to in our report of even date.

For Batliboi, Purohit & Darbari

Firm Registration Number:303086E

Chartered Accountants



CA Hemal Mehta

Partner

Membership.No. 063404

Place: Kolkata

Date: 15th May, 2017



For and on behalf of the Board


Director


Director

Papu Hydropower Projects Limited

Registered Office: Thapar House, 124 Janpath, 2nd Floor, Western Wing, New Delhi - 110001.

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

Equity Share Capital

Particulars	Balance as at 01 April, 2015	Changes in equity share capital during the year 2015-16	Balance as at 31 March, 2016	Changes in equity share capital during the year 2016-17	Balance as at 31 March, 2017
Equity Share Capital	282,06,150	-	282,06,150		
	282,06,150	-	282,06,150	-	282,06,150

Other equity

Particulars	Notes	Reserves and Surplus Retained Earnings	Total
Balance as at 01 April, 2015	6(b)(i)	(200,25,597)	(200,25,597)
Profit for the year	6(b)(i)	(1,21,755)	(1,21,755)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year	6(b)(i)	(1,21,755)	(1,21,755)
Dividends		-	-
Transfer to retained earnings		-	-
Any other change (to be specified):		-	-
Balance as at 31 March, 2016	6(b)(i)	(201,47,352)	(201,47,352)

Particulars	Notes	Reserves and Surplus Retained Earnings	Total
Balance as at 01 April, 2016	6(b)(i)	(201,47,352)	(201,47,352)
Profit for the year		(1,32,485)	(1,32,485)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(1,32,485)	(1,32,485)
Dividends		-	-
Transfer to retained earnings		-	-
Any other change (to be specified):		-	-
Balance as at 31 March, 2017		(202,79,837)	(202,79,837)

Significant accounting policies

Notes 1-17 form an integral part of financial statements.

This is the Statement of Changes in equity referred to in our report of even date.

For Batliboi, Purohit & Darbari
Firm Registration Number:303086E
Chartered Accountants

CA Hemal Mehta
Partner
Membership.No. 063404
Place: Kolkata
Date: 15th May, 2017

For and on behalf of the Board


Director


Director

Papu Hydropower Projects Limited

Registered Office: Thapar House, 124 Janpath, 2nd Floor, Western Wing, New Delhi - 110001.

Note-1: Significant Accounting Policies

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below.

The financial statements up to year ended 31 March, 2016 were prepared in accordance with the accounting standards notified under Companies (Indian Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is given in Note 15 to the financial statements.

a) Basis of Accounting

The financial statements have been prepared on the historical cost convention.

b) Use of Estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

c) Financial Assets

The financial assets are classified in the following categories:

- i) Financial assets measured at amortised cost
- ii) Financial assets measured at fair value through profit and loss, if applicable.

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



Papu Hydropower Projects Limited

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At initial recognition, the financial assets are measured at its fair value plus, in the case of the 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.

Financial Assets measured at amortised 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 amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method.

Financial Assets measured at fair value through other comprehensive income

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, if applicable.

Financial Assets measured at fair value through profit and loss

Financial instruments that do not meet the above criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Fair value movements are recorded in statement of profit and loss.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note on Financial risk management - credit Risk.

d) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes balances with banks in current account.

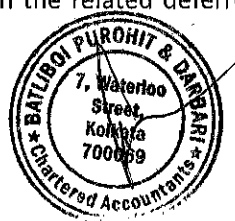
e) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

f) Taxes

Provision for current tax is made on the basis of estimated taxable income for the year.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the



Papu Hydropower Projects Limited

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deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

Since the Company has incurred loss during the year, no provision for taxation has been made in the accounts.

g) Expenditure During Construction

Company has been set up to develop Power projects and is yet to commence commercial production. Indirect expenses, which are not directly related to the project, have been charged off to the Statement of Profit and Loss. Expenses that are directly related to the project and incidental thereto are disclosed under Capital Work in Progress and are to be capitalized subsequently.



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Note 2: Property, plant and equipment

Particulars	Capital work in progress
Gross carrying value	
Deemed cost as at 01 April, 2015	39,36,749
Additions	20,52,686
Disposals / adjustments	-
Gross carrying amount as at 31 March, 2016	59,89,435
At 01 April, 2016	59,89,435
Additions	-
Disposals / adjustments	-
Gross carrying amount as at 31 March, 2017	59,89,435
Accumulated depreciation	
At April 1, 2015	-
Depreciation expense	-
Disposals / adjustments	-
At March 31, 2016	-
At 01 April, 2016	-
Depreciation expense	-
Disposals / adjustments	-
At 31 March, 2017	-
Net carrying value 31 March, 2017	59,89,435
Net carrying value 31 March, 2016	59,89,435
Net carrying value 01 April, 2015	39,36,749



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Note 3: Financial assets

Cash and cash equivalents

Particulars	31-Mar-2017	31-Mar-2016	1-Apr-2015
Balances with banks			
- In current accounts	18,97,406	19,79,891	100,19,992
- Bank Deposits with original maturity of upto 3 months			
- Bank Deposits with original maturity more than 3 months			
Total	18,97,406	19,79,891	100,19,992

For the purpose of cash flow statement, cash and cash equivalents comprise of:

Particulars	31-Mar-2017	31-Mar-2016	1-Apr-2015
Balances with banks			
- In current accounts	18,97,406	19,79,891	100,19,992
- Bank Deposits with original maturity of upto 3 months			
- Bank Deposits with original maturity more than 3 months			
Total	18,97,406	19,79,891	100,19,992

Note 4: Other current assets

Particulars	31-Mar-2017	31-Mar-2016	1-Apr-2015
Travel advance	-	50,000	-
Tax deducted at source	68,222	68,222	-
Total	68,222	1,18,222	-



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5(b): Other equity

Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 01 April, 2015
Retained earnings			
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	(202,79,837)	(201,47,352)	(200,25,597)
Total	(202,79,837)	(201,47,352)	(200,25,597)

(i): Retained earnings

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 01 April, 2015
Opening balance	(201,47,352)	(200,25,597)	(162,11,859)
Net profit for the period	(1,32,485)	(1,21,755)	(38,13,738)
Closing balance	(202,79,837)	(201,47,352)	(200,25,597)

Note 6: Financial Liabilities

Other financial liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 01 April, 2015
Payable towards claim lodged for services received	-	-	57,41,499
Audit fees Payable	28,750	28,750	25,281
Total	28,750	28,750	57,66,780

Note 7: Other current liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 01 April, 2015
Statutory dues payable	-	-	9,408
Total	-	-	9,408



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5(b): Other equity

Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March,2016	As at 01 April,2015
Retained earnings			
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	(202,79,837)	(201,47,352)	(200,25,597)
Total	(202,79,837)	(201,47,352)	(200,25,597)

(i): Retained earnings

Particulars	As at 31 March, 2017	As at 31 March,2016	As at 01 April,2015
Opening balance	(201,47,352)	(200,25,597)	(162,11,859)
Net profit for the period	(1,32,485)	(1,21,755)	(38,13,738)
Closing balance	(202,79,837)	(201,47,352)	(200,25,597)

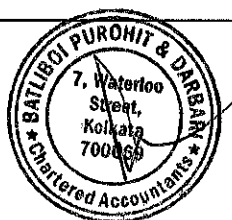
Note 6: Financial Liabilities

Other financial liabilities

Particulars	As at 31 March, 2017	As at 31 March,2016	As at 01 April,2015
Payable towards claim lodged for services received	-	-	57,41,499
Audit fees Payable	28,750	28,750	25,281
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Note 7: Other current liabilities

Particulars	As at 31 March, 2017	As at 31 March,2016	As at 01 April,2015
Statutory dues payable	-	-	9,408
Total	-	-	9,408



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Note 8: Other expenses

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Repairs		
- Plant and machinery	-	-
- Others	-	18,255
Travelling and conveyance expenses	92,135	18,850
Legal and professional charges	5,000	31,840
Filing fees	6,600	13,800
Remuneration to auditors		
- Statutory audit	28,750	28,750
- Tax audit	-	-
- Other charges	-	-
General Expenses	-	10,260
Total	1,32,485	1,21,755

Note 9: Earnings per share

The calculation of basic earnings per share at 31 March 2017 was based on the loss attributable to equity shareholders of INR (1,32,485) [Previous year INR (1,21,755)] and a weighted average number of equity shares outstanding [28,20,615] (Previous year 28,20,615), calculated as follows:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Face value of equity shares	10	10
Weighted average number of equity shares outstanding	28,20,615	28,20,615
Profit/ (loss) for the year (continuing operations)	(1,32,485)	(1,21,755)
Weighted average earnings per share (basic and diluted)	(0.05)	(0.04)
Profit for the year (discontinued operations)	-	-
Weighted average earnings per share (basic and diluted)	-	-
Profit/ (loss) for the year	(1,32,485)	(1,21,755)
Weighted average earnings per share (basic and diluted)	(0.05)	(0.04)



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Note 10: Related Party Transaction

(a) Parent entities

The group is controlled by the following entity

Name	Type	Place of incorporation	Ownership interest		
			31-Mar-17	31-Mar-16	1-Apr-15
CESC Limited	Parent Entity	India	100%	100%	100%

(b) Transactions with parent entity

The following transaction incurred with related party:

Particulars	31-Mar-17	31-Mar-16
Reimbursement of expenses	-	57,41,499

(c) Outstanding balances

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
CESC Limited	-	-	57,41,499
Total outstanding balance	-	-	57,41,499

(d) Terms and conditions of outstanding balances, including whether they are secured, and the nature of the consideration to be provided in settlement

Transaction relating to expenses payable were on the same terms and conditions that are applicable to other stakeholders. All outstanding balances are unsecured and are payable in cash and cash equivalents.

Note 11: Disclosure on Specified Bank Notes(SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8,2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30,2016	-	-	-

*For the purpose of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



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Note 12: Financial instruments

a) The carrying value and fair value of financial instruments by categories as at March 31 2017, March 31, 2016 and April 1, 2015 is as follows:

Particulars	31-Mar-17			31-Mar-16			1-Apr-15		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets									
Cash and cash equivalents	18,97,406	-	-	19,79,891	-	-	100,19,992	-	-
Total	18,97,406	-	-	19,79,891	-	-	100,19,992	-	-
Financial liabilities									
Other financial liabilities	28,750	-	-	28,750	-	-	57,66,780	-	-
Total	28,750	-	-	28,750	-	-	57,66,780	-	-

The carrying amount of cash and cash equivalents are considered to be same as their fair values, due to their short term nature.



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Note 13: Financial risk management objective and policies

The Company's principal financial liabilities comprise other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and other receivables, and cash & cash equivalents.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

A. Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to loans, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables. The carrying amount of financial assets represents maximum credit risk exposure.

Cash and cash equivalents

Cash and cash equivalents comprise deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Cash & cash equivalents	18,97,406	19,79,891	100,19,992
	18,97,406	19,79,891	100,19,992

B. Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

C. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will not affect the Company's or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



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Note 14: Capital Management

a) Risk management

The group objectives when managing capital are to

- i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other shareholders, and
- ii) Maintain an optimal capital structure to reduce the cost of capital.

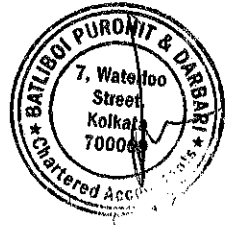
The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

In order to maintain or adjust the capital structure, the group may issue new shares to reduce debt.

The company doesn't have any borrowings as at the end of the reporting period.

Since the company has incurred loss during the year, the company has not proposed any dividend during the year.



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Note 15: First time Adoption of IND-AS

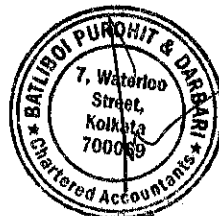
The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015. The adoption of Ind AS has been carried out in accordance with Ind AS 101, with April 1, 2015 as the transition date. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, statement of profit and loss and cash flows is set out below.

A: Exemptions and Exceptions availed on first-time adaptation of Ind AS 101

Set out below are the applicable Ind-AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind-AS.

Ind AS mandatory exceptions

- 1) 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 previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
- 2) Ind AS 101 requires the Company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



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B: Ind AS requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represents the reconciliation from previous GAAP to Ind AS

Reconciliation of Equity as previously reported under IGAAP to Ind AS

Particulars	Note	Balance Sheet as at 31st March 2016			Balance Sheet as at 01st April 2015		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Capital work-in-progress	2	59,89,435	-	59,89,435	39,36,749	-	39,36,749
Total non-current assets		59,89,435	-	59,89,435	39,36,749	-	39,36,749
Current assets							
Financial assets							
i. Cash and cash equivalents	3	19,79,891	-	19,79,891	100,19,992	-	100,19,992
Other current Assets	4	1,18,222	-	1,18,222	-	-	-
Total current assets		20,98,113	-	20,98,113	100,19,992	-	100,19,992
Total assets		80,87,548	-	80,87,548	139,56,741	-	139,56,741
EQUITY AND LIABILITIES							
Equity	5(a)	282,06,150	-	282,06,150	282,06,150	-	282,06,150
Other Equity	5(b)(i)	(201,47,352)	-	(201,47,352)	(200,25,597)	-	(200,25,597)
Total equity		80,58,798	-	80,58,798	81,80,553	-	81,80,553
Liabilities							
Current liabilities							
Financial Liabilities							
i. Other financial liabilities	6	28,750	-	28,750	57,66,780	-	57,66,780
Other current liabilities	7	-	-	-	-	-	9,408
Total current liabilities		28,750	-	28,750	57,66,780	-	57,76,188
Total liabilities		28,750	-	28,750	57,66,780	-	57,76,188
Total equity and liabilities		80,87,548	-	80,87,548	139,47,333	-	139,56,741

The previous GAAP figures have been reclassified to conform to IND AS presentation requirements for the purpose of this note.



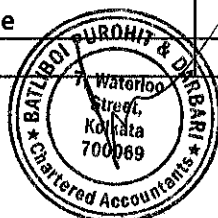
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Reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS				
Particulars	Note	Year ended 31 March 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations		-	-	-
Other Income		-	-	-
Total Revenue		-	-	-
Expenses				
Employee Benefit Expenses		-	-	-
Depreciation and amortisation expenses		-	-	-
Other Expenses	8	1,21,755	-	1,21,755
Total Expenses		1,21,755	-	1,21,755
Profit before regulatory (income) / expense		(1,21,755)	-	(1,21,755)
Regulatory (Income) / expenses (net)		-	-	-
Profit before tax		(1,21,755)	-	(1,21,755)
Tax Expenses				
Current Tax		-	-	-
Deferred Tax		-	-	-
Profit after Tax		(1,21,755)	-	(1,21,755)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plan		-	-	-
Income tax on above		-	-	-
Total comprehensive income for the year		(1,21,755)	-	(1,21,755)

Impact of IND AS on the statement of cash flow

Particulars	Note	Year ended 31 March 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from Operating Activities		(59,87,415)	-	(59,87,415)
Net cash used in Investing Activities		(20,52,686)	-	(20,52,686)
Net Cash flow from Financing Activities		-	-	-
Net Increase / (decrease) in cash and cash equivalents		(80,40,101)	-	(80,40,101)
Cash and Cash equivalents - Opening Balance	3	100,19,992	-	100,19,992
Cash and Cash equivalents - Closing Balance	3	19,79,891	-	19,79,891



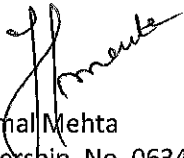
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Note 16: The Company is engaged in the business of development of power projects and does not operate in any other reportable segment.

Note 17: Previous year figures have been re-classified/regrouped wherever necessary.

For Batliboi, Purohit & Darbari
Firm Registration Number - 303086E
Chartered Accountants


CA Hemal Mehta
Membership. No. 063404



For and on behalf of the Board


Director


Director

Place: Kolkata
Date: 15th May, 2017.