

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
10 C Hungerford Street
5th Floor, Kolkata 700017
India

Independent Auditor's Report

To the Members of Crescent Power Limited

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Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Crescent Power Limited ('the Company'), which comprise the Balance Sheet as at 31 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 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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 these standalone financial statements are free from material misstatements.



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6. 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 controls relevant to the Company's preparation of the 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 43 of the standalone financial statements on the Scheme of Arrangement amongst CESC Limited and some of its subsidiary companies including Crescent Power Limited, not been given effect to in these standalone financial statements pending certain approvals and formalities. Our opinion is not qualified in respect of the above.

Other Matter

10. The standalone financial statements of the Company for the year ended 31 March 2017, were audited by another auditor whose report dated 18 May 2017 expressed an unqualified opinion on those standalone financial statements.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;



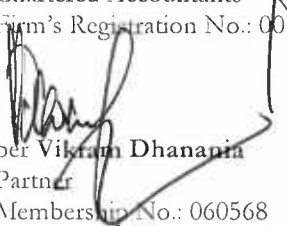
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- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 18 May 2018 as per Annexure B expresses our unmodified opinion on adequacy and operating effectiveness of internal controls over financial reporting; 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 (as amended), 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 litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


per Vikram Dhanania
Partner

Membership No.: 060568



Place: Kolkata

Date: 18 May 2018

Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Crescent Power Limited, on the standalone financial statements for the year ended 31 March 2018

Annexure A

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transaction in respect of guarantees and security covered under section 185 and 186 of the Act. In our opinion, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans given. Further, in our opinion, the Company has complied with the provisions of section 186 of the Act in respect of investments.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



Walker ChandioK & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Crescent Power Limited, on the standalone financial statements for the year ended 31 March 2018

- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the Company has applied the term loans for the purposes for which these were raised.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker ChandioK & Co LLP

For Walker ChandioK & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vikram Dhanania
per Vikram Dhanania

Partner

Members No.: 060568



Place: Kolkata

Date: 18 May 2018

Walker ChandioK & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Crescent Power Limited on the standalone financial statements for the year ended 31 March 2018

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

1. In conjunction with our audit of the standalone financial statements of Crescent Power Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide



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Annexure B to the Independent Auditor's Report of even date to the members of Crescent Power Limited on the standalone financial statements for the year ended 31 March 2018

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

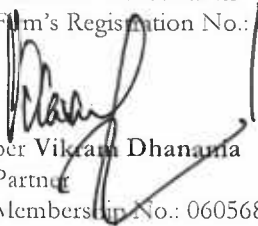
8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



per Vikram Dhanania

Partner

Membership No.: 060568



Place: Kolkata

Date: 18 May 2018

Crescent Power Limited
Standalone Balance Sheet as at 31 March 2018
(All amounts in ₹ lacs, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	27,183.16	28,653.23
Capital work-in-progress		453.96	281.26
Financial assets			
i. Investments	5	21,205.97	1.98
ii. Loans	6	3.83	4.63
iii Other financial assets	7	86.28	259.16
Deferred tax assets (net)	35	77.48	84.30
Other non-current assets	8	39.96	23.63
Total non-current assets		49,050.64	29,308.19
Current assets			
Inventories	9	760.53	1,165.92
Financial assets			
i. Investments	10	-	655.68
ii. Trade receivables	11	3,205.62	2,220.68
iii. Cash and cash equivalents	12	4,373.40	4,307.74
iv. Loans	13	3.47	4.46
v. Other financial assets	14	12,687.65	6,020.54
Current tax assets (net)	15	-	17.47
Other current assets	16	62.85	70.32
Total current assets		21,093.52	14,462.81
Total assets		70,144.16	43,771.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	6,000.00	6,000.00
Other equity	18	26,055.05	19,697.46
Total equity		32,055.05	25,697.46
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	21,971.40	9,773.19
ii. Other financial liabilities	20	190.77	173.43
Provisions	21	88.40	78.31
Deferred tax liabilities (net)	35	4,362.05	4,361.13
Other non-current liabilities	22	57.06	72.26
Total non-current liabilities		26,669.68	14,458.32
Current liabilities			
Financial liabilities			
i. Borrowings	23	3,986.20	-
ii. Trade payables	24	3,306.95	859.42
iii. Other financial liabilities	25	3,873.10	2,684.23
Other current liabilities	26	83.31	70.96
Provisions	27	0.75	0.61
Current tax liabilities (net)	28	169.12	-
Total current liabilities		11,419.43	3,615.22
Total equity and liabilities		70,144.16	43,771.00

Notes 1 to 43 form an integral part of these standalone financial statements
This is the standalone Balance Sheet referred to in our report of even date.

For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Vikram Banania
Partner
Membership No.: 060563



Place: Kolkata
Date: 18 May 2018

For and on behalf of the Board of Directors
Crescent Power Limited

Subrata Talukdar
Director
DIN: 01794978

Deb Kumar Dey
Chief Financial Officer

Place: Kolkata
Date: 18 May 2018

Subhasis Mitra
Director
DIN: 01277136

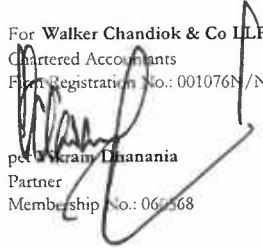
Sudip Kumar Ghosh
Company Secretary

Crescent Power Limited
 Standalone Statement of Profit and Loss for the year ended 31 March 2018
 (All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
REVENUE			
Revenue from operations	29	17,078.09	16,712.14
Other income	30	439.57	360.43
Total revenue		17,517.66	17,072.57
EXPENSES			
Cost of fuel	31	3,921.97	3,408.70
Employee benefits expense	32	896.54	826.64
Finance costs	33	1,297.57	1,376.77
Depreciation expense	4	1,925.38	1,898.90
Other expenses	34	4,262.59	3,757.49
Total expenses		12,304.05	11,268.50
Profit before tax		5,213.61	5,804.07
Tax expense			
- Current tax		1,116.46	1,242.01
- Deferred tax	35	(652.59)	(198.74)
Total tax expense		463.87	1,043.27
Profit for the year		4,749.74	4,760.80
Other Comprehensive income			
Items that will not be reclassified to profit or loss		2,268.18	(16.90)
Income tax relating to items that will not be reclassified to profit or loss		(660.33)	3.61
Other comprehensive income for the year, net of tax		1,607.85	(13.29)
Total comprehensive income for the year		6,357.59	4,747.51
Earnings per equity share of ₹ 10 paid up per share			
Basic and diluted	36	7.92	7.93

Notes 1 to 43 form an integral part of these standalone financial statements

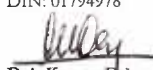
This is the standalone Statement of Profit and Loss referred to in our report of even date

For Walker Chandio & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

 Poojitha Dhanania
 Partner
 Membership No.: 061568


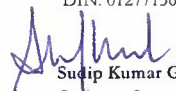


Place: Kolkata
 Date: 18 May 2018

For and on behalf of the Board of Directors
 Crescent Power Limited


 Subrata Talukdar
 Director
 DIN: 01794978

 Deb Kumar Dey
 Chief Financial Officer

Place: Kolkata
 Date: 18 May 2018


 Subhasis Mitra
 Director
 DIN: 01277136

 Sudip Kumar Ghosh
 Company Secretary

Crescent Power Limited
Standalone Statement of Cash Flows for the year ended 31 March 2018
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash flow from operating activities		
Profit before tax	5,213.61	5,804.07
Adjustments for :		
Depreciation expense	1,925.38	1,898.90
Gain on sale of current investments (net)	(206.37)	(233.43)
Finance costs	1,297.57	1,376.77
Interest income	(118.62)	(127.00)
Operating profit before working capital changes	8,111.57	8,719.31
Adjustments for :		
Increase in trade receivables	(984.94)	(910.74)
(Increase)/decrease in other current assets	7.47	(33.85)
Increase in other short term Financial assets	899.32	(34.41)
Decrease in other long term Financial assets	0.61	166.62
Decrease in long term Loans	0.80	2.63
Decrease in short term Loans	0.99	(3.21)
Decrease in Inventories	405.39	370.83
Increase in non-current provisions	12.28	18.94
Increase/(decrease) in current provisions	0.14	(1.31)
Increase/(decrease) in other current liabilities	12.35	(1.96)
Increase/(decrease) in trade payables	2,447.53	(1,529.23)
Increase in other current financial liabilities	39.42	123.48
Cash generated from/(used in) operating activities	10,952.93	6,887.10
Income tax paid (net)	(929.86)	(944.65)
Net cash generated from/(used in) operating activities	10,023.07	5,942.45
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(665.47)	(2,935.46)
Purchase of investments	(28,773.00)	(8,825.98)
Sale of investments	10,947.05	9,058.43
Investment in fixed deposits	(77.75)	-
Interest received	111.05	106.62
Refund from/(advance to) body corporates for share subscription	5,076.00	(2,920.00)
Short term advance to body corporate	(12,650.00)	-
Net cash used in investing activities	(26,032.10)	(5,516.39)
C. Cash flow from financing activities (*)		
Proceeds from non-current borrowings	16,000.00	884.00
Repayment of current borrowings	3,986.20	-
Repayment of long-term borrowings	(2,605.98)	(1,789.56)
Finance cost	(1,305.53)	(1,336.48)
Net cash generated from/(used in) financing activities	16,074.69	(2,242.04)
Net increase / (decrease) in cash and cash equivalents	65.66	(1,815.98)
Cash and cash equivalents as at the beginning of the year	4,307.74	6,123.72
Cash and cash equivalents as at the end of the year (refer note 12)	4,373.40	4,307.74

Notes:

- The Statement of Cash Flows has been prepared under the indirect method as given in the India Accounting Standard (Ind AS 7) on the Statement of Cash Flows.
 - Additions to the property, plant and equipment and intangible assets include movements of capital work-in-progress.
- (*) Refer Note 19 for reconciliation of liabilities arising from financing activities

This is the standalone Statement of Cash Flow referred to in our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013
per Vikram Bhanania
Partner
Membership No.: 060566



Place: Kolkata
Date: 18 May 2018

For and on behalf of the Board of Directors
Crescent Power Limited

Subrata Talukdar
Director
DIN: 01794978
Deb Kumar Dey
Chief Financial Officer

Place: Kolkata
Date: 18 May 2018

Subhasis Mitra
Director
DIN: 01277136
Sudip Kumar Ghosh
Company Secretary

Crescent Power Limited
 Standalone Statement of Changes in Equity as at 31 March 2018
 (All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
A. Equity share capital				
Balance as at the beginning	60,000,000	6,000.00	60,000,000	6,000.00
Changes in equity share capital during the year		-		-
Balance at the end of the year		6,000.00		6,000.00
B. Other equity			As at 31 March 2018	As at 31 March 2017
Retained earnings				
Balance at the beginning of the year			19,697.46	14,949.95
Total Comprehensive Income for the year			4,749.74	4,760.80
Items that will not be reclassified to profit or loss			2,268.18	(16.90)
Income tax relating to items that will not be reclassified to profit or loss			(660.33)	3.61
Balance at the end of the year			26,055.05	19,697.46

This is the standalone Statement of Changes in Equity referred to in our Report of even date.

For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/1500013

per Vikram Chhannania
 Partner
 Membership No.: 060563

Place: Kolkata
 Date: 18 May 2018



For and on behalf of the Board of Directors
 Crescent Power Limited

Subrata Talukdar
 Director
 DIN: 01794978

Deb Kumar Dey
 Chief Financial Officer

Place: Kolkata
 Date: 18 May 2018

Subhasis Mitra
 Director
 DIN: 01277136

Sudip Kumar Ghosh
 Company Secretary

1 Corporate information

Crescent Power Limited ("the Company") is a limited Company incorporated and domiciled in India. Its registered office is located at 6 Church Lane, 1st floor, Kolkata - 700 001, India.

The Company is engaged primarily in the business of power generation and also provides contracting services, having its thermal power plant in the State of West Bengal and solar power plant in the State of Tamil Nadu.

2 Significant accounting policies, judgements and estimates

Basis of preparation of financial statements

(a) Statement of compliance

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.

The financial statements are presented in Indian rupees rounded off to nearest lakhs.

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:

- (a) certain financial assets and liabilities
- (b) defined benefit plans - plan assets measured at fair value

(c) Use of estimates

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.

3 Summary of significant accounting policies

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

(a) Financial asset

(i) Initial measurement

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Financial assets of the Company include investments in equity shares of subsidiary, trade and other receivables, loans and advances to employees etc.

(ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- (1) financial assets measured at amortised cost;
- (2) financial assets measured at fair value through other comprehensive income;
- (3) financial assets measured at fair value through profit and loss.

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortised cost:

A financial instrument is measured at amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

(b) Investments

Investment in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. On disposal of the investments, the difference between net disposal proceeds and the carrying amount is recognized in the statement of profit and loss.

(c) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment (if any). The amount also includes unbilled revenue, if any, for which goods have been sold and services have been rendered to the customer but not yet billed as at year end.

(d) Financial liability

(i) Initial measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

(ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

- (1) financial liabilities measured at amortised cost
- (2) financial liabilities measured at fair value through profit and loss



(c) Loans and borrowings

Loans and borrowings are initially recognised at fair value net of transaction costs incurred. Subsequently, these are measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(f) Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR model.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss.

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

(ii) Depreciation

Depreciation on items of plant, property and equipment is provided on straight line method based on the useful life as prescribed under Schedule II of the Companies Act, 2013. Useful life for plant and machinery used for solar power plant at Tamil Nadu is taken at 25 years, based on the period of Power Purchase Agreement (PPA) with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). Building constructed over leasehold land are depreciated based on the useful life specified in Schedule II or the lease tenure, whichever is lower.

(iii) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognised as a separated component is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss as incurred.

(iv) Spare parts

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

(h) Capital work in progress

Capital work in progress is stated at cost net of accumulated impairment losses, if any.

(i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the date of inception is deemed to be 1 April 2015 in accordance with Ind-AS 101, First-time Adoption of Indian Accounting Standard.

As a lessee

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(j) Inventory

Inventories of stores and spares and fuel are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary adjustment is made for such items.

(k) Impairment

(i) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables (if any).

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

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



(All amounts in ₹ lacs, unless otherwise stated)

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. As a practical expedient the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analysed.

(ii) Non-financial assets

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

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

(l) Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under "income tax payable" net of payments on account, or under "tax receivables" where there is a credit balance.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Contribution to Provident fund and Contributory pension fund are accounted for on accrual basis. The Company operates defined contribution schemes for Provident and Pension Fund. Contributions to these funds are made regularly to government authorities and are recognised in the financial statements on accrual basis.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(n) Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

(o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

(p) Revenue recognition



Crescent Power Limited

Notes to the standalone financial statements for the year ended 31 March 2018

(All amounts in ₹ lacs, unless otherwise stated)

Revenue from sale of electricity is net of discount for prompt payment of bills and are accounted for on the basis of billings to the procurer. Revenue from contracting service is accounted for on accrual basis and recognised as per terms of the relevant arrangement. Sale of scrap is recognised at the point of sale to the purchaser, which coincides with delivery.

(q) Other income

Interest income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

(r) Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

(s) Earnings per equity share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(u) Foreign currency transactions

Transactions in foreign currency are recognized at the prevailing exchange rates on the transaction dates. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the year-end are translated at year-end exchange rates. Gains and losses on settlement or on year-end translations are recognized in the Statement of Profit and Loss.

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4 Property, plant and equipment

Particulars	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying value								
Balance as at 01 April 2016	574.90	9.95	2,845.19	35,406.73	33.03	9.99	72.10	38,951.89
Additions	-	-	57.21	296.79	0.42	7.15	2.89	364.46
Disposals	-	-	-	-	-	-	-	-
Balances as at 31 March 2017	574.90	9.95	2,902.40	35,703.52	33.45	17.14	74.99	39,316.35
Additions	-	-	214.12	218.45	3.68	5.73	13.51	455.49
Disposals	-	-	-	-	-	3.53	-	3.53
Balances as at 31 March 2018	574.90	9.95	3,116.52	35,921.97	37.13	19.34	88.50	39,768.31
Accumulated depreciation								
Balance as at 01 April 2016	-	9.23	925.71	7,766.84	15.94	3.40	43.10	8,764.22
Depreciation expense	-	0.70	144.28	1,738.94	3.21	1.38	10.39	1,898.90
Disposals / adjustments	-	-	-	-	-	-	-	-
Balances as at 31 March 2017	-	9.93	1,069.99	9,505.78	19.15	4.78	53.49	10,663.12
Depreciation expense	-	-	154.94	1,757.06	3.46	1.91	8.01	1,925.38
Disposals / adjustments	-	-	-	-	-	3.35	-	3.35
Balances as at 31 March 2018	-	9.93	1,224.93	11,262.84	22.61	3.34	61.50	12,585.15
Net carrying value 01 April 2016	574.90	0.72	1,919.48	27,639.89	17.09	6.59	29.00	30,187.67
Net carrying value 31 March 2017	574.90	0.02	1,832.41	26,197.74	14.30	12.36	21.50	28,653.23
Net carrying value 31 March 2018	574.90	0.02	1,891.59	24,659.13	14.52	16.00	27.00	27,183.16

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Crescent Power Limited

Notes to the standalone financial statements for the year ended 31 March 2018

(All amounts in ₹ lacs, unless otherwise stated)

	As at	
	31 March 2018	31 March 2017
5 Non-current investments		
A. Investment in equity instruments		
Unquoted		
<i>(Carried at cost)</i>		
Subsidiary		
2,510,000 (31 March 2017-10,000) equity shares of New Rising Promoters Private Limited of ₹10 each fully paid-up	251.00	1.00
B. Investment in equity instruments		
Unquoted (refer Note 40)		
<i>(Designated at Fair Value through other comprehensive income)</i>		
9,750 (31 March 2017-9,750) equity shares of Integrated Coal mining Limited of ₹ 10 each fully paid-up	2,266.97	0.98
C. Investment in preference shares		
Unquoted		
<i>(Designated at Fair Value through other comprehensive income)</i>		
186,880,000 (31 March 2017 - Nil) preference shares of Integrated Coal Mining Limited of ₹10 each fully paid-up	18,688.00	-
	21,205.97	1.98
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	21,205.97	1.98
Aggregate amount of impairment in value of investments	-	-

Notes:

- (a) Preference shares are convertible to equity at the rate of 1:1 at the option of the issuer or redeemable at the end of 20 years from the date of issue (31 March 2018). Payment of dividend is discretionary and non-cumulative.

	As at	
	31 March 2018	31 March 2017
6 Loans		
<i>(Unsecured considered good)</i>		
Loan to employees	3.83	4.63
	3.83	4.63
7 Other financial assets		
Advance against equity to subsidiary	-	250.00
Deposits with maturity for more than 12 months	77.73	-
Security deposit	8.55	9.16
	86.28	259.16
8 Other non-current assets		
Capital advances	39.96	23.63
	39.96	23.63
9 Inventories		
<i>(valued at lower of cost and net realisable value)</i>		
Fuel	89.22	541.12
Stores and spares	671.31	624.80
	760.53	1,165.92
10 Current investments		
A. Investment in equity instruments		
Unquoted		
Others		
<i>(Carried at cost)</i>		
Nil (31 March 2017 - 65,56,800) equity shares of APA Services Private Limited of ₹10 each fully paid-up	-	655.68
	-	655.68
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	-	655.68
Aggregate amount of impairment in value of investments	-	-



	As at	
	31 March 2018	31 March 2017
18 Other equity		
(a) Reserves and Surplus		
Opening balance	19,718.95	14,958.15
Net profit for the year	4,749.74	4,760.80
	<u>24,468.69</u>	<u>19,718.95</u>
(b) Other comprehensive income		
Opening balance	(21.49)	(8.20)
Increase/(decrease) for the year	1,607.85	(13.29)
	<u>1,586.36</u>	<u>(21.49)</u>
	<u>26,055.05</u>	<u>19,697.46</u>

Nature and purpose of reserves:**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

Other comprehensive income

Other items of other comprehensive income consists of re-measurements of net defined benefit plans during the year.

19 Borrowings*Secured***Term loans**

Rupee term loans (refer notes below)

From banks	15,637.08	12,212.63
From others	9,969.59	-
	<u>25,606.67</u>	<u>12,212.63</u>
Less: Current maturity of long term-borrowings (refer note 25)	3,635.27	2,439.44
Total	<u>21,971.40</u>	<u>9,773.19</u>

(a) Nature of security:

₹ 8,094.80 lacs (31 March 2017 - ₹ 4,006.92 lacs) is secured by hypothecation of current assets including its stock of stores, coal and other movables, book debts, monies receivables and bank balances and equitable mortgage / hypothecation of the Company's fixed assets including its land, buildings and all construction thereon and plant and machinery, both present and future in respect of 40 MW AFBC Thermal Power Project of the Company located near Asansol, West Bengal. The security as mentioned above ranks pari passu inter-se and with the security for overdrafts working capital facilities from banks. However, creation of mortgage security for term loan facility of ₹ 6,000.00 lacs is in process.

₹ 7,542.28 lacs (31 March 2017 - ₹ 8,205.71 lacs) is secured by an exclusive charge by way of mortgage/hypothecation in respect of the fixed assets including its land, building, construction thereon where exist, plant & machinery etc. and by way of hypothecation of current assets including book debts, receivables, project related accounts, revenues of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power Project at Ramanathapuram, Tamil Nadu.

The holding company has issued a letter of comfort to the lender against the term loan from others amounting to ₹ 9,969.59 lacs (31 March 2017 - ₹ Nil).

The above figures are after taking the impact of effect interest rate as per Ind AS 109 - Financial Instruments amounting to ₹ 247.20 lacs (31 March 2017 - ₹ 107.86 lacs).

(b) Repayment terms and rate of interest:**Term loan from Banks:**

Term loan amounting to ₹ 2,230.89 lacs (31 March 2017: ₹ 4,006.92 lacs) has been subsequently fully repaid during April 2018. It carried an interest rate of MCLR plus 1.60% p.a.

Term loan amounting to ₹ 5,863.91 lacs (31 March 2017: Nil) is repayable in 15 quarterly instalments of varying amounts commencing from 31 August 2018. It carries an interest rate of MCLR plus 1.05% p.a.

Term loan amounting to ₹ 7,542.29 lacs (31 March 2017: ₹ 8,205.71 lacs) is repayable in 49 quarterly instalments amounting to ₹ 169.27 lacs each commencing from 1 June 2017. It carries an interest rate of MCLR plus 1.05% p.a.

Term loan from others:

Term loan amounting to ₹ 9,969.59 lacs (31 March 2017: Nil) is repayable in 26 quarterly instalments of varying amounts commencing from 30 September 2018. It carries an interest rate of 9.75% p.a.

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Long - term borrowings	Short - term borrowings	Total
1 April 2016	13,083.35	-	13,083.35
Cash flows:			
Repayment	(1,789.56)	-	(1,789.56)
Proceeds	884.00	-	884.00
Interest expense	1,361.01	-	1,361.01
Interest paid	(1,326.18)	-	(1,326.18)
31 March 2017	<u>12,212.62</u>	-	<u>12,212.62</u>
Cash flows:			
Repayment	(2,605.98)	-	(2,605.98)
Proceeds	16,000.00	3,986.20	19,986.20
Interest expense	1,215.60	64.63	1,280.23
Interest paid	(1,215.57)	(64.63)	(1,280.20)
31 March 2018	<u>25,606.67</u>	<u>3,986.20</u>	<u>29,592.87</u>



	As at	
	31 March 2018	31 March 2017
20 Other financial liabilities		
Security deposit against contracting service	190.77	173.43
	190.77	173.43
21 Non-current provisions		
Provision for employee benefits (refer note 32)		
Leave encashment	88.40	78.31
	88.40	78.31
22 Other non-current liabilities		
Deferred revenue	57.06	72.26
	57.06	72.26
23 Borrowings		
<i>Secured</i>		
Loans repayable on demand		
-from banks	3,986.20	-
	3,986.20	-
(a) Nature of security: Secured by pari-passu charge on movable and immovable fixed assets of company & and charge over escrow account for routing of cash flows pertaining to 40 MW A13BC Thermal Power Project of the Company at Asansol, West Bengal. However, creation of mortgage security for working capital facility aggregating ₹3,986.20 lacs is in process.		
(b) Repayment terms : Payable on demand the amount outstanding together with all interest ,cost, charges, expenses and monies whatsoever.		
24 Trade payables		
Due to Micro and small enterprises (refer note below)	-	-
Dues to others	3,306.95	859.42
	3,306.95	859.42
Note:		
There are no amounts due to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, based on information available with the Company.		
25 Other financial liabilities		
Current maturities of long-term debt (refer note 19)	3,635.27	2,439.44
Interest accrued but not due on borrowings	13.23	21.19
Creditors for capital goods	38.36	59.46
Dues to employees	21.05	14.85
Other non trade creditors	165.19	149.29
	3,873.10	2,684.23
26 Other current liabilities		
Statutory dues payable	68.10	55.75
Deferred revenue	15.21	15.21
	83.31	70.96
27 Current Provisions		
Provision for employee benefits (refer note 32)		
Leave encashment	0.75	0.61
	0.75	0.61
28 Current tax liabilities (net)		
Current tax liabilities [refer note 35(d)]	169.12	-
	169.12	-



Crescent Power Limited

Notes to the standalone financial statements for the year ended 31 March 2018

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended	
	31 March 2018	31 March 2017
29 Revenue from operations		
Sale of products		
Sale of electricity	15,605.24	15,424.06
Sale of services		
Contracting service	1,451.86	1,288.08
Other operating revenues		
Sale of scrap	20.99	-
	<u>17,078.09</u>	<u>16,712.14</u>
30 Other income		
Interest income		
On Bank deposits	31.99	49.61
On inter-corporate deposits	71.42	62.18
Other non-operating income		
Net gain arising on sale of financial assets measured at FVTPL	206.37	233.43
Unwinding of discount on loans/deposits measured at fair value	15.21	15.21
Other miscellaneous income	114.58	-
	<u>439.57</u>	<u>360.43</u>
31 Cost of fuel		
Consumption of coal	3,906.67	3,397.34
Consumption of oil	15.30	11.36
	<u>3,921.97</u>	<u>3,408.70</u>

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	Year ended	
	31 March 2018	31 March 2017
32 Employee benefits expense		
Salaries, wages and bonus	749.08	720.12
Contribution to provident and other funds	63.07	41.58
Staff welfare expenses	84.39	64.94
	896.54	826.64

Note: The Company has three post employment benefit plans for its eligible employees, namely gratuity, provident and pension fund with the State administered fund and leave encashment which is unfunded.

(a) Defined Benefit Plan**Gratuity**

The Company operates a gratuity plan wherein the eligible employees are entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Such benefit is payable on retirement or on termination of service, whichever is earlier. The Company also makes annual contribution to independent trust, who in turn, invests in the Employee Group Gratuity scheme of eligible agency for qualifying employees. Provision of gratuity liability in the books of accounts of the company is made on the basis of actuarial valuation subject to the provision of applicable accounting standard.

Compensated absences

Privilege leave balances can be accumulated by eligible employees upto a maximum of 180 days and can be encashed at the time of separation. Liability for leave encashment is provided for based on actuarial valuation carried out annually at the year end.

(b) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

	31 March 2018		31 March 2017	
	Gratuity (Funded)	Leave (Unfunded)	Gratuity (Funded)	Leave (Unfunded)
Principal actuarial assumptions				
Discount rate per annum	7.71%	7.71%	7.28%	7.28%
Range of compensation increase	5.00%	5.00%	5.00%	5.00%
Attrition rate:				
Age - upto 40 years	4.20%	4.20%	4.20%	4.20%
Age - above 40 years	-	-	-	-
Expected rate of return on plan assets	7.28%	-	7.90%	0.00%
Plan duration	14.29	14.54	14.88	15.27
Components of statement of income statement charge				
Current service cost	10.02	5.94	9.26	8.64
Interest cost	(2.06)	5.75	(2.77)	4.76
Total charged to statement of profit or loss	7.96	11.69	6.49	13.40
Movements in net liability/(asset)				
Defined benefit obligation at the beginning of the year	(17.42)	78.92	(10.07)	61.29
Employer contributions	(21.84)	-	(24.85)	-
Benefits paid	-	-	-	(1.66)
Total expense recognised in the statement of profit or loss	7.96	11.69	6.49	13.40
Total amount recognised in OCI	(2.19)	(1.46)	11.01	5.89
Defined benefit obligation / (asset) at the end of the year	(33.49)	89.15	(17.42)	78.92
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	88.24	-	70.93	-
Interest on plan assets	7.22	-	7.06	-
Contributions made	21.84	-	24.85	-
Benefits paid	-	-	(12.79)	-
Actuarial (loss)/gain on plan assets	(1.18)	-	(1.81)	-
Fair value of plan assets at the end of the year	116.12	-	88.24	-
Reconciliation of benefit obligations				
Obligation at the start of the year	70.82	78.92	60.86	61.29
Current service cost	10.02	5.94	9.26	8.64
Interest cost	5.16	5.75	4.29	4.76
Actuarial (gains) / losses from financial assumptions	(4.35)	(4.77)	5.01	5.73
Actuarial (gains) / losses from experience adjustments	0.98	3.31	4.19	0.16
Benefits paid directly by the Company	-	-	(12.79)	(1.66)
Defined benefits obligations at the end of the year	82.63	89.15	70.82	78.92



32 Employee benefits expense

	Year ended	
	31 March 2018	31 March 2017
Salaries, wages and bonus	749.08	720.12
Contribution to provident and other funds	63.07	41.58
Staff welfare expenses	84.39	64.94
	896.54	826.64

Note: The Company has three post employment benefit plans for its eligible employees, namely gratuity, provident and pension fund with the State administered fund and leave encashment which is unfunded.

(a) Defined Benefit Plan

Gratuity

The Company operates a gratuity plan wherein the eligible employees are entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Such benefit is payable on retirement or on termination of service, whichever is earlier. The Company also makes annual contribution to independent trust, who in turn, invests in the Employee Group Gratuity scheme of eligible agency for qualifying employees. Provision of gratuity liability in the books of accounts of the company is made on the basis of actuarial valuation subject to the provision of applicable accounting standard.

Compensated absences

Privilege leave balances can be accumulated by eligible employees upto a maximum of 180 days and can be encashed at the time of separation. Liability for leave encashment is provided for based on actuarial valuation carried out annually at the year end.

(b) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

	31 March 2018		31 March 2017	
	Gratuity (Funded)	Leave (Unfunded)	Gratuity (Funded)	Leave (Unfunded)
Principal actuarial assumptions				
Discount rate per annum	7.71%	7.71%	7.28%	7.28%
Range of compensation increase	5.00%	5.00%	5.00%	5.00%
Attrition rate:				
Age - upto 40 years	4.20%	4.20%	4.20%	4.20%
Age - above 40 years	-	-	-	-
Expected rate of return on plan assets	7.28%	-	7.90%	0.00%
Plan duration	14.29	14.54	14.88	15.27
Components of statement of income statement charge				
Current service cost	10.02	5.94	9.26	8.64
Interest cost	(2.06)	5.75	(2.77)	4.76
Total charged to statement of profit or loss	7.96	11.69	6.49	13.40
Movements in net liability/(asset)				
Defined benefit obligation at the beginning of the year	(17.42)	78.92	(10.07)	61.29
Employer contributions	(21.84)	-	(24.85)	-
Benefits paid	-	-	-	(1.66)
Total expense recognised in the statement of profit or loss	7.96	11.69	6.49	13.40
Total amount recognised in OCI	(2.19)	(1.46)	11.01	5.89
Defined benefit obligation / (asset) at the end of the year	(33.49)	89.15	(17.42)	78.92
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	88.24	-	70.93	-
Interest on plan assets	7.22	-	7.06	-
Contributions made	21.84	-	24.85	-
Benefits paid	-	-	(12.79)	-
Actuarial (loss)/gain on plan assets	(1.18)	-	(1.81)	-
Fair value of plan assets at the end of the year	116.12	-	88.24	-
Reconciliation of benefit obligations				
Obligation at the start of the year	70.82	78.92	60.86	61.29
Current service cost	10.02	5.94	9.26	8.64
Interest cost	5.16	5.75	4.29	4.76
Actuarial (gains) / losses from financial assumptions	(4.35)	(4.77)	5.01	5.73
Actuarial (gains) / losses from experience adjustments	0.98	3.31	4.19	0.16
Benefits paid directly by the Company	-	-	(12.79)	(1.66)
Defined benefits obligations at the end of the year	82.63	89.15	70.82	78.92

32 Employee benefits expense (cont'd)

	31 March 2018		31 March 2017	
	Gratuity (Funded)	Leave (Unfunded)	Gratuity (Funded)	Leave (Unfunded)
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in financial assumptions	4.35	-	(5.01)	(5.73)
Actuarial gain/(loss) on account of experience adjustments	(0.98)	-	(4.19)	(0.16)
Return on plan assets (excluding interest income)	(1.18)	-	(1.81)	-
Total actuarial gain/(loss) recognised in OCI	2.19	-	(11.01)	(5.89)



(c) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	31 March 2018		31 March 2017	
	Gratuity (Funded)	Leave (Unfunded)	Gratuity (Funded)	Leave (Unfunded)
Discount rate				
Increase by 1.00 %	73.63	79.31	62.62	69.54
Decrease by 1.00 %	93.26	100.80	80.57	90.10
Salary increase				
Increase by 1.00 %	93.45	101.00	80.70	90.24
Decrease by 1.00 %	73.33	78.98	62.38	69.27

Gratuity (funded)	
Year ended 31 March 2018	Year ended 31 March 2017

(d) Experience adjustments

Defined benefit obligation	82.63	70.82
Fair value of plan assets	116.12	88.24
(Surplus)/deficit in plan assets	(33.49)	(17.42)
Gain/(loss) on experience adjustment on plan liabilities	3.37	(9.20)
Loss on experience adjustments on plan assets	(1.18)	(1.81)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

(e) Expected benefits payment in case of gratuity

0-1 year	0.70	0.55
2-5 years	8.10	4.69
6-10 years	58.87	49.42
More than 10 years	181.21	156.67

Details of plan assets

The Company makes annual contribution to the Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) for eligible employees. Liability at the year-end for gratuity and leave encashment has been determined on the basis of actuarial valuation carried out by an independent actuary, based on the method prescribed in the Indian Accounting Standard 19.

Defined contribution plan

The Company makes contributions for provident fund towards defined contribution retirement benefit plans for eligible employees. Under the said plans, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. During the current year the Company has recognised ₹ 36.17 Lacs (31 March 2017: ₹ 34.45 Lacs) on this account in the Statement of Profit and Loss.

No asset has been recognized in the books since the company does not have any 'right' with respect to such amounts as per the Para 59 and 60 of Ind AS 19 - Employee Benefits.

Risk exposure

Credit Risk: If the scheme is insured and fully funded on PUC basis there is a credit risk to the extent the insurer(s)/ are unable to discharge their obligations including failure to discharge in timely manner.

Pay-as-you-go Risk: For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.

Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Liquidity Risk: This risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outgo inflow mismatch. (or it could be due to insufficient assets/cash.)

Future Salary Increase Risk: In case of gratuity & leave the scheme cost is very sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated.

Demographic Risk: In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

Regulatory Risk: New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising accrual rate from 15/26 etc.).



Crescent Power Limited

Notes to the standalone financial statements for the year ended 31 March 2018

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended	
	31 March 2018	31 March 2017
33 Finance costs		
Interest expense	1,223.96	1,326.18
Other borrowing costs	73.61	50.59
	1,297.57	1,376.77
34 Other expenses		
Consumption of stores and spares	553.52	573.15
Cost of electrical energy purchased	155.20	133.12
Coal and ash handling expenses	837.67	662.82
Repairs and maintenance:		
- Plant and machinery	464.61	558.14
- Others	311.07	121.75
Insurance	63.10	63.81
Rent (<i>refer note (a) below</i>)	25.88	21.07
Rates and taxes	1.47	10.99
Payment to auditors:		
- Statutory audit	11.00	21.50
- For taxation matters	3.00	4.00
- Other services	6.00	0.40
For reimbursement of expenses (including applicable service tax)	4.76	4.04
Travelling and conveyance	84.34	83.53
Security contracts	245.95	177.58
Professional and contractual services	718.18	550.15
Deviation charges (net)	172.84	106.00
Expenditure towards Corporate Social Responsibility activities (<i>refer note (b) below</i>)	103.35	97.48
Contribution to political parties	350.00	350.00
Miscellaneous expenses	150.65	217.96
	4,262.59	3,757.49

(a) Operating Lease

In accordance with Indian Accounting Standard (Ind AS) 17 "Leases", the Company does not have any non - cancellable operating lease. Expenditure incurred on account of operating lease rentals during the year are recognized in Statement of Profit and Loss amount to ₹25.88 lakhs. (Previous Year ₹21.07 lakhs)

(b) Corporate social responsibility ('CSR') expenses

Gross amount required to be spent during the year	103.35	97.48
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(i) On purpose other than (i) above	103.35	97.48



	Year ended	
	31 March 2018	31 March 2017
35 Income tax and deferred tax		
(a) Income tax in the statement of profit and loss:		
Current tax	1,116.46	1,242.01
Deferred tax	(652.59)	(198.74)
	463.87	1,043.27
(b) Income tax recognised in other comprehensive income:		
Remeasurement of post-employment benefit obligations	(0.47)	3.61
Fair value of equity instruments through other comprehensive income	(659.86)	-
	(660.33)	3.61
(c) Reconciliation of income tax expense and the accounting profit for the year:		
Profit before tax	5,213.61	5,804.07
Enacted tax rates (%)	21.34%	21.34%
Computed expected tax expense	1,112.67	1,238.68
Add: Disallowance of interest on TDS	-	0.08
Add: Tax impact on first time adoption of Ind AS under section 115JB of the Income Tax Act, 1961.	3.79	3.25
Total income tax expense as per the statement of profit and loss	1,116.46	1,242.01
(d) Income tax balances		
Current tax liabilities		
Opening balance	(17.47)	-
Add: Current tax payable for the year	1,116.46	-
Less: Taxes paid (net of refunds)	(929.87)	-
Closing balance	169.12	-
Non-current tax asset		
Opening balance	-	314.83
Add: Taxes paid (net of refunds)	-	941.65
Less: Current tax payable for the year	-	(1,242.01)
Closing balance	-	17.47
(e) Deferred tax assets (net)		
Property, plant equipment (Land)	84.30	30.61
Add/(less): Adjustments during the year	(6.82)	53.69
	77.48	84.30
(f) Deferred tax liabilities (net)		
Excess of tax depreciation over book depreciation	3,796.38	4,416.16
Financial instruments at fair value through other comprehensive income	659.86	-
Remeasurement of post-employment benefit obligations	0.47	-
Other items	(68.23)	5.63
Items covered under Section 43B of the Income Tax Act, 1961	(26.43)	(60.66)
	4,362.05	4,361.13



	Year ended	
	31 March 2018	31 March 2017
36 Earnings per equity share		
The calculation of basic earnings per share at 31 March 2018 was based on the profit attributable to equity shareholders of ₹ 4749.74 lacs (31 March 2017 ₹ 4760.80 lacs) and a weighted average number of equity shares outstanding 6,00,000,00 (Previous year 6,00,000,00), calculated as follows:		
	Year ended	
	31 March 2018	31 March 2017
Face value of equity shares (in ₹)	10	10
Weighted average number of equity shares outstanding	60,000,000	60,000,000
Profit for the year	4,749.74	4,760.80
Weighted average earnings per share (basic and diluted) (in ₹)	7.92	7.93
	As at	
	31 March 2018	31 March 2017
37 Contingent liabilities and commitments (to the extent not provided for)		
(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows :		
For property, plant and equipment	116.42	311.15
	116.42	311.15
38 Segment reporting:		
Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance in a single segment viz. "Electricity Generation". Accordingly, disclosures relating to business and geographical segments under Ind AS 108 on Segment Reporting are not relevant to the Company.		

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39 Related party disclosures

(a) Parent which exercises control over the entity

Name	Relationship
CESC Limited	Parent
New Rising Promoters Private Limited	Subsidiary
APA Services Pvt Limited	Common control
RPG Power Trading Co. Limited	Common control
Integrated Coal Mining Limited	Common control
Surya Vidyt Limited	Common control
Phillips Carbon Black Limited	Common control
CESC Infrastructure Limited	Common control
CESC Projects Limited	Common control
Kolkata Games and Sports Private Limited	Common control
Kaushik Biswas, Manager	Key managerial personnel

(b) Related Party transactions and outstanding balances

Name	Nature of transaction	Transaction during the year		Outstanding balances		Outstanding balances	
		2017-18	2016-17	31-Mar-18		31-Mar-17	
		Amount	Amount	Debit balance	Credit balance	Debit balance	Credit balance
CESC Limited	Purchase of goods	3,457.87	2,884.81	-	2,664.71	-	516.74
	Recovery of Expenses	0.19	50.18	-	0.19	-	49.72
	Security Deposit	-	-	-	190.77	-	173.43
	Inter Corporate Deposit received	10,000.00	-	-	-	-	-
	Refund of incorporate deposit	10,000.00	-	-	-	-	-
	Payment of expenses	49.72	-	-	-	-	-
	Income from services	1,703.96	1,480.87	903.95	-	140.93	-
New Rising Promoters Private Limited	Inter Corporate Deposit.	12,650.00	-	12,687.41	-	37.41	-
	Advance against equity	-	-	-	-	250.00	-
	Purchase of Equity shares	250.00	-	250.00	-	-	-
APA Services Pvt Limited	Advance against equity to body corporate	310.00	2,920.00	-	-	5,076.00	-
	Refund of Advance against equity	5,386.00	-	-	-	-	-
	Investment in equity shares	-	-	-	-	655.68	-
RPG Power Trading Co. Limited	Sale of Power	13,954.77	13,584.73	859.74	-	816.34	-
Integrated Coal Mining Limited	Recovery of Expenses	56.65	45.84	-	56.65	-	5.83
	payment of expenses	5.83	-	-	-	-	-
	Purchase of Equity Share	-	0.98	0.98	-	0.98	-
	Investment in preference shares	18,688.00	-	18,688.00	-	-	-
	Sale of investment	655.68	749.32	-	-	-	-
Refund of others recoverable	749.32	-	-	-	749.32	-	
Surya Vidyt Limited	Recovery of Expenses	38.64	20.13	-	38.64	-	20.13
	payment of expenses	20.13	-	-	-	-	-
Phillips Carbon Black Limited	Recovery of Expenses	70.88	57.89	-	-	-	-
CESC Infrastructure Limited	Recovery of Expenses	2.99	-	-	2.99	-	-
CESC Projects Limited	Recovery of Expenses	4.93	-	-	4.93	-	-
Kolkata Games and Sports Private Limited	Inter Corporate Deposit	2,200.00	-	-	-	-	-
	Payment of expenses	15.01	-	-	-	-	-
	Interest received on Inter corporate deposit	68.86	-	-	-	-	-
Mr. Kaushik Biswas	Salaries and wages	60.11	55.56	-	-	-	0.85
	Contribution to provident and other funds	2.592	2.30	-	-	-	-
	Short term employee benefits	-	-	-	9.45	-	8.47
	Termination benefits	-	-	-	9.16	-	7.39
	Other long term benefits	-	-	-	-	-	-
Amount recoverable for vehicle loan	-	-	0.38	-	0.67	-	

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

All outstanding balances are unsecured and are payable in cash.



40 Financial instruments

(a) Category wise classification of financial instruments

Particulars	31 March 2018			31 March 2017		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets						
Non-current:						
Investment in equity instruments	251.00	2,266.97	-	1.00	0.98	-
Investment in preference shares	-	18,688.00	-	-	-	-
Loans	3.83	-	-	4.63	-	-
Other financial assets	86.28	-	-	259.16	-	-
Current:						
Investment in equity instruments	-	-	-	655.68	-	-
Trade receivables	3,205.62	-	-	2,220.68	-	-
Cash and cash equivalents	4,373.40	-	-	4,307.74	-	-
Loans	3.47	-	-	4.46	-	-
Other financial assets	12,687.65	-	-	6,020.54	-	-
Total	20,611.25	20,954.97	-	13,473.89	0.98	-
Financial liabilities						
Non-current:						
Borrowings	21,971.40	-	-	9,773.19	-	-
Security deposits	190.77	-	-	173.43	-	-
Current:						
Borrowings	3,986.20	-	-	-	-	-
Trade payables	3,306.95	-	-	859.42	-	-
Other financial liabilities	3,873.10	-	-	2,684.23	-	-
Total	33,328.42	-	-	13,490.27	-	-

Note: The management assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The Company has recorded a fair value gain of ₹ 2,265.99 lacs through other comprehensive income along with deferred tax liability of ₹ 659.86 lac in respect of its long term investment in equity instrument.

b) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the Statement of Profit and Loss are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

As at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in equity instruments	-	2,266.97	-	2,266.97
Investment in preference shares	-	18,688.00	-	18,688.00
		20,954.97	-	20,954.97
As at 31 March 2017				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in equity instruments	-	0.98	-	0.98
	-	0.98	-	0.98

The above disclosures are presented for investments measured at fair value. Carrying value of cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities represents the best estimate of fair value.



41 Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

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 Company'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 investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to electricity bill payments. To manage this 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.

Investments

The Company limits its exposure to credit risk by generally investing in short term liquid securities. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment(if any).

Cash and cash equivalents

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at	
	31 March 2018	31 March 2017
Trade and other receivables	3,205.62	2,220.68
Cash and cash equivalents	4,373.40	4,307.74
	7,579.02	6,528.42

Since the Company has all of its customers in India, geographically there is no concentration of credit risk. Accordingly, disclosures pertaining to exposure to credit risk for trade receivables are not required.

Impairment losses

	As at	
	31 March 2018	31 March 2017
Trade and other receivables (measured under life time excepted credit loss model)	3,205.62	2,220.68
Opening balance	-	-
Provided during the year	-	-
Reversal of provision	-	-
Unwinding of discount	-	-
Closing balance	-	-
	3,205.62	2,220.68

Ageing analysis

	As at	
	31 March 2018	31 March 2017
Not due	1,178.23	960.88
Upto 3 months	1,213.17	-
3-6 months	526.39	-
More than 6 months	287.83	1,259.80
	3,205.62	2,220.68

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

No significant changes in estimation techniques or assumptions were made during the reporting period.



41 Financial risk management objective and policies

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.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

As at 31 March 2018	Less than 1 year	1-5 years	More than 5 years	Total
Non-current borrowings	3,635.27	13,842.87	8,128.53	25,606.67
Current borrowings	3,986.20			3,986.20
Trade payables	3,306.95	-	-	3,306.95
Security deposits	-	190.77	-	190.77
Other financial liabilities	237.83	-	-	237.83
Total	11,166.25	14,033.64	8,128.53	33,328.42

As at 31 March 2017	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	2,439.44	1,907.00	7,866.19	12,212.63
Trade payables	859.42	-	-	859.42
Security deposits	-	173.43	-	173.43
Other financial liabilities	244.79	-	-	244.79
Total	3,543.65	2,080.43	7,866.19	13,490.27

C. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income 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.

Interest rate risk

The Company is exposed to short-term interest rate risk on the net of cash and cash equivalents and borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance. As at 31 March 2018 and 31 March 2017, the Company was exposed to interest rate risk predominately borrowings while most of its remaining obligations were either non-interest bearing or bear fixed interest rates, and its financial assets were predominately short-term in nature and mostly non-interest bearing.

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

a) Interest rate risk exposure

	As at	
	31 March 2018	31 March 2017
Variable rate borrowings	19,623.28	12,212.63
	19,623.28	12,212.63

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	31 March 2018	31 March 2017
Interest rates - increase by 70 basis points	64.49	74.69
Interest rates - decrease by 70 basis points	(64.49)	(74.69)



Crescent Power Limited

Notes to the standalone financial statements for the year ended 31 March 2018

(All amounts in ₹ lacs, unless otherwise stated)

42 Capital Management

The Company's main objectives when managing capital are to:

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.

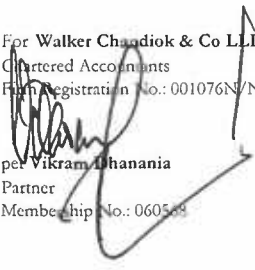
The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

	As at	
	31 March 2018	31 March 2017
Total Debt	29,592.87	12,212.63
Less: Cash and cash equivalent	4,373.40	4,307.74
Net debt	25,219.47	7,904.89
Total equity	32,055.05	25,697.46
Net debt to equity ratio	78.68%	30.76%

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

- 43 The Board of Directors of the Company at its meeting held on 22 May 2017 approved, subject to necessary approvals, a composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving the Company, its Holding Company CESC Limited (CESC) and eight other subsidiary companies of CESC. The Scheme proposes restructuring of the business of these companies with effect from 1 October 2017, being the appointed date. The Scheme sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) by its Order dated 28 March 2018 will be implemented on the terms and conditions stated therein inter alia, upon satisfaction of the conditions precedent and obtaining approvals as referred under the NCLT order. Upon such implementation, necessary accounting effect relating thereto, will be given in due course, with its consequential impact on the financial results.

As per our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Vikram Lhanania
Partner
Membership No.: 060588


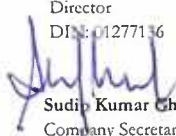


Place: Kolkata
Date: 18 May 2018

For and on behalf of the Board of Directors
Crescent Power Limited


Subrata Talukdar
Director
DIN: 01794978

Deb Kumar Dey
Chief Financial Officer
Place: Kolkata
Date: 18 May 2018


Subhasis Mitra
Director
DIN: 01277136

Sudip Kumar Ghosh
Company Secretary