Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

1. Company Information

Indian Energy Exchange Limited (the "Company") was incorporated on March 26, 2007 and domiciled in India as a public limited company and limited by shares (CIN: L74999DL2007PLC277039). The address of the Company's registered office is Unit No. 3,4,5 and 6, Fourth Floor, TDI Centre Plot No 7, District Centre, Jasola, New Delhi-110025.

The Company is a registered national level power exchange. The Company enables price discovery and price risk management for participants of the electricity market, including industries eligible for open access.

During the year, the Company has completed the initial public offering of 6,065,009 equity shares of face value of ₹10 each at a price of ₹1,650 per equity share, through an Offer For Sale ('OFS') of equity shares by certain selling shareholders. The equity shares of the Company were listed on BSE Limited ('BSE') and National Stock Exchange ('NSE') with effect from 23 October 2017.

These separate financial statements were authorized by the Board of Directors for issue on 26 April 2018.

2. Basis

2.1 Statement of compliance

These Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these Ind AS financial statements are the first financial statements under Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards, has been applied. Refer note 40 explaining the transition of financial position, financial performance and cash flows from previous GAAP to Ind AS.

The financial statements comprise the financial statements of the Company and its controlled employee benefit trust.

2.2 Basis of measurement

These Ind AS financial statements have been prepared on the historical cost basis except for certain financial assets (mutual funds) that are measured at fair value (refer to accounting policy on financial instruments) and share-based payments. The methods used to measure fair values are discussed further in notes to financial statements.

2.3 Functional and presentation currency

These Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

2.5 Use of estimates and judgements

In preparing these Ind AS financial statements, management has made judgements, 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 an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of item which are more likely to be materially adjusted due to estimates and assumptions turning out to be different that those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

i). Recognition of deferred tax assets/ (liabilities) – note 8

The Company has recognized deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.

ii) Provision for employee benefits - note 18 & note 29

The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

2.6 Measurement of fair values

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments, such as, investments, at fair value at each reporting date. Also, fair value of financial instruments measured at amortized cost and FVTPL is disclosed in Note 34.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3. Significant accounting policies

3.1 Property, plant and equipment and depreciation

3.1.1. Initial recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

3.1.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.1.3 Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer to note 40).

3.1.4 Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. 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, and are recognized in the statement of profit and loss.

3.1.5 Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

Category of assets	Estimated useful life of assets	Useful life as per schedule II
Furniture and Fixtures	10 Years	10 Years
Office Equipment		
Mobile Phones	2 Years	5 Years
Others	5 Years	5 Years
Computers		
Servers	6 Years	6 Years
Others	3 Years	3 Years
Electrical Installation	10 Years	10 years
Vehicles	5 Years	8 Years

During the financial year 2017-18, the Company has changed the estimate of useful life of vehicles from 8 years to 5 years resulting in current year depreciation increase by ₹16.55.

Leasehold Improvements are amortized over the lease period or the remaining useful life, whichever is shorter.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

3.2 Intangible assets and intangible assets under development and amortization

3.2.1 Recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2.2. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (refer to note 40)

3.2.3 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.2.4. Amortization

Amortisation is computed to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using the straight-line method, and is included in amortisation in Statement of Profit and Loss.

Software license is amortised over fifteen years and Computer software are amortised over six & fifteen years considering their related useful lives.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.3. Cash and cash equivalents

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

3.4 Financial instruments

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

3.4.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

a. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

(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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

b. Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c. Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

d. Equity Investments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value. Equity

instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

e. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

f. *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Trade receivables under Ind AS 18.

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

3.4.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

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

a. Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are in profit or loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

b. *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

c. Derecognition

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

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3.5. Offsetting financial instruments

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

3.6. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

3.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable and amounts receivable for services provided in the normal course of business. The Company recognises revenue when the amount of revenue and related cost can be reliably measured and it is probable that the collectability of the related receivables is reasonably assured.

Transaction fee is charged based on the volume of transactions entered into by the respective member or client of trader/ professional member through the exchange. Fee charged in relation to transactions under the Day Ahead Market and the Renewal Energy Certificate segment, is accrued when the orders placed on the network are matched and confirmed by National Load Dispatch Centre. Fee charged in relation to transactions under the Term Ahead Market segment is accrued when orders placed on the network are matched, confirmed by Regional Load Dispatch Centre and delivered.

Admission fees and Processing fees charged from a prospective member of the exchange at the time of his joining, is recognised when the membership has been approved by the membership committee.

Annual subscription fee, in the year when the member/ client is registered for the first time, is recognised on commencement of trading that coincides with the registration of trader member/ client of trader/professional member on a pro-rata basis. Annual subscription fee, in any year subsequent to the year of registration, is recognised on an accrual basis on a pro-rata basis.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

3.8 Employee Benefits

3.8.1 Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related services. Such obligations are measured on an undiscounted basis.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3.8.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees.

The Company pays fixed contribution to Provident Fund at predetermined rates to regional provident fund commissioner. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss.

3.8.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of defined benefit plans.

The Company's net obligation in respect of defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs. Any actuarial gains or losses are recognised in OCI in the period in which they arise.

3.8.4 Other long term employee benefits

Benefits under the Company's compensated absences constitute other long term employee benefit.

Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected up to the assumed date of encashment. The present value of obligations under such long-term benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method as at period end.

3.8.5 Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in other equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcome

3.9 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Foreign currency transactions and translation

Transactions in foreign currencies are translated at the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of equity investments at fair value through OCI (FVOCI), which are recognised in OCI.

3.11 Lease

3.11.1 Accounting for operating leases- As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

The Company has taken office premises under operating lease arrangements. The lease period for office premises taken under non-cancellable lease agreement is 9 years with lock-in-period of 3 years, thereafter the same can be cancelled by lessee by giving notice of three months to the lessor.

3.12 Income Tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized 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.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. 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 realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

Minimum Alternative Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as deferred tax assets only to the extent it is probable that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognized as deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3.13 Earning per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.14 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance.

The Managing Director along with the Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

3.15 ESOP Trust

The ESOP trust has been treated as an extension of the Company, and accordingly, shares held by ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets, liabilities, income and expenses of the Company, except for profit / loss on issue of shares to the employees and the dividend earned by the trust which are directly taken to the ESOP Trust reserve.

4 a. Property, plant and equipment and Capital work-in-progress

Assets	Leasehold improvements	Office equipment	Electrical Equipment	Computer hardware/ equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Year ended 31 March 2017								
Gross Carrying amount								
Deemed cost as at 1 April 2016 (refer note below)	201.54	38.44	121.70	235.15	49.30	51.35	697.48	-
Additions	-	2.40	-	57.47	0.48	-	60.35	33.28
Deductions/ adjustments	-	-	-	-	-	-	-	-
Closing gross carrying amount	**201.54**	**40.84**	**121.70**	**292.62**	**49.78**	**51.35**	**757.83**	**33.28**
Accumulated Depreciation								
Depreciation charge during the year	26.74	13.00	16.15	81.78	5.82	9.27	152.76	-
Closing accumulated depreciation	**26.74**	**13.00**	**16.15**	**81.78**	**5.82**	**9.27**	**152.76**	**-**
Net carrying amount	**174.80**	**27.84**	**105.55**	**210.84**	**43.96**	**42.08**	**605.07**	**33.28**
Year ended 31 March 2018								
Gross Carrying amount								
Opening gross carrying amount	201.54	40.84	121.70	292.62	49.78	51.35	757.83	33.28
Additions	59.45	25.45	12.09	98.10	15.50	111.67	322.26	53.69
Deductions/ adjustments	-	0.30	-	25.47	0.25	12.94	38.96	-
Transfers	-	-	-	-	-	-	-	58.20
Closing gross carrying amount	**260.99**	**65.99**	**133.79**	**365.25**	**65.03**	**150.08**	**1,041.13**	**28.77**
Accumulated Depreciation								
Opening accumulated depreciation	26.74	13.00	16.15	81.78	5.82	9.27	152.76	-
Depreciation charge during the year	31.10	15.56	16.71	98.05	6.40	36.06	203.88	-
Disposals/ adjustments	-	0.18	-	25.21	0.10	12.94	38.43	-
Closing accumulated depreciation	**57.84**	**28.38**	**32.86**	**154.62**	**12.12**	**32.39**	**318.21**	**-**
Net carrying amount	**203.15**	**37.61**	**100.93**	**210.63**	**52.91**	**117.69**	**722.92**	**28.77**

Notes:

a) The Company has elected Ind AS 101 exemption and continued with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition (refer note 40)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

4 b. Other intangible assets and intangibles under development

Assets	Computer Software	Software License	Total	Intangible assets under development
Year ended 31 March 2017				
Gross Carrying amount				
Deemed cost as at 1 April 2016 (refer note below)	407.28	-	407.28	40.24
Additions	11.44	-	11.44	22.53
Deductions / adjustments	-	-	-	-
Closing gross carrying amount	**418.72**	**-**	**418.72**	**62.77**
Amortisation				
Amortisation charge during the year	189.20	-	189.20	-
Closing accumulated amortisation	**189.20**	**-**	**189.20**	**-**
Net carrying amount	**229.52**	**-**	**229.52**	**62.77**
Year ended 31 March 2018				
Gross Carrying amount				
Opening gross carrying amount	418.72	-	418.72	62.77
Additions	226.95	11,543.00	11,769.95	56.82
Deductions/ Adjustments	-	-	-	-
Transfers	-	-	-	95.32
Closing gross carrying amount	**645.67**	**11,543.00**	**12,188.67**	**24.27**
Amortisation				
Opening accumulated amortisation	189.20	-	189.20	-
Amortisation charge during the year	186.74	636.72	823.46	-
Disposals/ Adjustments	-	-	-	-
Closing accumulated amortisation	**375.94**	**636.72**	**1,012.66**	**-**
Net Carrying amount	**269.73**	**10,906.28**	**11,176.01**	**24.27**

Notes:

(i) The Company has elected Ind AS 101 exemption and continued with the carrying value for intangible assets as its deemed cost as at the date of transition, refer note 40.

5. Investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current investments			
Investments measured at amortised cost			
Bonds (Quoted)			
7.11% Tax Free Bonds Power Finance Corporation Ltd.			
5,134 (31 March, 2017: 5,134, 01 April, 2016: 5,134) units of face value of ₹1,000 each.	52.98	52.98	52.98
7.04% Tax Free Bonds Housing and Urban Development Corporation Ltd.			
15,058 (31 March, 2017: 15,058 , 01 April, 2016: 15,058) units of face value of ₹1,000 each.	153.69	153.69	151.07
7.04% Tax Free Bonds Indian Railway Finance Corporation Ltd.			

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

5. Investments (Contd.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
11,757 (31 March, 2017: 11,757 , 01 April, 2016: 11,757) units of face value of ₹1,000 each.	121.36	121.38	117.80
7.04% Tax Bonds National Bank for Agriculture and Rural Development			
10,020 (31 March, 2017: 10,020 , 01 April, 2016: 10,020) units of face value of ₹1,000 each.	100.37	100.37	100.37
Fixed deposits (Unquoted)			
PNB Housing Finance Limited	-	586.66	545.23
Investments measured at fair value through profit and loss			
Mutual funds (quoted)			
HDFC FMP 1143D March 2018 (1) - Direct - Growth -Series -39			
12,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,208.24	-	-
Aditya Birla Sun Life Fixed Term Plan - Series PJ (1135 days) -Direct Growth			
12,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,208.92	-	-
UTI-Fixed Term Income Fund —Series XXVIII—XII (1154 DAYS)-Direct Growth Plan			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,006.11	-	-
ICICI Prudential Fixed Maturity Plan Series 82 - 1175 Days Plan Q Direct Plan Cumulative			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,005.86	-	-
SBI Debt Fund Series - C - 12 (1122 Days) - Direct Growth			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,005.38	-	-
IDFC Fixed Term Plan Series 142 Direct Plan -Growth (1139 Days)			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,006.62	-	-
HDFC FMP 1132D February 2016 (1) - Direct - Growth -Series-35			
170,000 (31 March, 2017: 170,000, 01 April, 2016: 170,000) units of face value of ₹10 each.	20.18	18.71	17.21
HDFC FMP 1155D February 2016 (1) - Direct - Growth -Series-35			
160,000 (31 March, 2017: 160,000, 01 April, 2016: 160,000) units of face value of ₹10 each.	19.06	17.66	16.27
HDFC FMP 1183D January 2016 (1) - Direct - Growth -Series-35			
160,000 (31 March, 2017: 160,000, 01 April, 2016: 160,000) units of face value of ₹10 each.	19.16	17.75	16.31
HDFC FMP 1128D March 2015 (1) - Direct - Growth -Series-33			
Nil (31 March, 2017: 1,50,000, 01 April, 2016: 1,50,000) units of face value of ₹10 each.	-	17.70	16.34
HDFC FMP 369D-Direct Growth			
Nil (31 March, 2017: 1,50,000, 01 April, 2016: 1,50,000) units of face value of ₹10 each.	-	19.30	17.92
HDFC FMP 1166D MAY 2017 (1) - Direct - Growth - Series-38			
200,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	21.42	-	-

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

5. Investments (Contd.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
HDFC FMP 1165D April 2017 (1) - Direct - Growth - Series-38			
130,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	13.86	-	-
Mutual funds (unquoted)			
HDFC Arbitrage Fund-Wholesale Plan- Growth-Direct Plan			
Nil (31 March, 2017: 14,529,669.301, 01 April, 2016: Nil) units of face value of ₹10 each.	-	1,802.84	-
Aditya Birla Sun Life Enhanced Arbitrage Fund - Growth-Direct Plan			
2,723,192.889 (31 March, 2017: 8,133,056.809, 01 April, 2016: Nil) units of face value of ₹10 each.	500.28	1,402.61	-
ICICI Prudential Equity Arbitrage Fund- Direct Plan -Growth			
Nil (31 March, 2017: 8,106,464.906, 01 April, 2016: Nil) units of face value of ₹10 each.	-	1,803.32	-
Kotak Equity Arbitrage Fund- Direct Plan -Growth			
Nil (31 March, 2017: 2,094,074.189, 01 April, 2016: Nil) units of face value of ₹10 each.	-	500.95	-
Reliance Arbitrage Advantage Fund- Direct Growth Plan-Growth option			
Nil (31 March, 2017: 2,924,455.466, 01 April, 2016: Nil) units of face value of ₹10 each.	-	500.87	-
HDFC Arbitrage Fund - Wholesale Plan - Growth - Direct Plan			
2,217,484.473 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	292.06	-	-
Total	**7,755.55**	**7,116.79**	**1,051.50**
Aggregate value of quoted investments in bonds	428.40	428.42	422.22
Market value of quoted investments in bonds	433.75	428.42	422.22
Aggregate market value of quoted investments in mutual funds	6,534.81	91.12	84.05
Aggregate value of unquoted investments	792.34	6,597.25	545.23

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 35.

6. Loans

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good, unless otherwise stated						
Security deposits	138.00	1.76	88.13	2.73	79.84	2.28
Loans and advances to employees	-	1.18	-	0.94	-	0.21
Total	**138.00**	**2.94**	**88.13**	**3.67**	**79.84**	**2.49**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

7. Other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good, unless otherwise stated						
Bank deposits due for maturity after twelve months from the reporting date*	-	-	2,582.69	-	2,659.90	-
Other recoverables	-	-	-	169.91	-	-
Other advances	-	305.42	-	0.89	-	3.35
Amount recoverable from mutual fund house	-	6,395.57	-	-	-	-
Total	**-**	**6,700.99**	**2,582.69**	**170.80**	**2,659.90**	**3.35**

*Bank deposits includes ₹ Nil (31 March 2017: ₹1,140.00; 1 April 2016: ₹1,893.00) under lien with banks for overdraft facilities.

8. Deferred tax assets/ (Deferred tax liabilities) (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets rising on timing differences on account of:			
Provisions for employee benefits	90.89	191.84	64.28
Fair valuation of financial assets/ liabilities	3.31	2.86	1.08
Deferred tax liabilities rising on timing differences on account of:			
Deferred tax liabilities on account of difference between WDV of property, plant and equipment and intangible assets as per books and under Income Tax Act, 1961.	1,410.17	86.14	147.14
Investments at fair value through profit or loss	151.54	10.69	10.35
Total	**(1,467.51)**	**97.87**	**(92.13)**

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax assets/(liabilities)
As at 31 March 2018

Particulars	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018
Deferred tax liability				
Deferred tax liabilities on account of difference between WDV of property, plant and equipment and intangible assets as per books and under Income Tax Act, 1961.	86.14	1,324.03	-	1,410.17
Investments at fair value through profit or loss	10.69	140.85	-	151.54
Less: Deferred tax assets				-
Provisions for employee benefits	191.84	(94.32)	(6.63)	90.89
Fair valuation of financial assets/ liabilities	2.86	0.45	-	3.31
Deferred tax assets/(liabilities)	**97.87**	**(1,558.76)**	**(6.63)**	**(1,467.51)**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

8. Deferred tax assets/ (Deferred tax liabilities) (net) *(Contd.)*

As at 31 March 2017

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017
Deferred tax liability				
Deferred tax liabilities on account of difference between WDV of property, plant and equipment and intangible assets as per books and under Income Tax Act, 1961.	147.14	(61.00)	-	86.14
Investments at fair value through profit or loss	10.35	0.34	-	10.69
Less: Deferred tax assets				
Provisions for employee benefits	64.28	126.85	0.71	191.84
Fair valuation of financial assets/ liabilities	1.08	1.78	-	2.86
Deferred tax assets/(liabilities)	**(92.13)**	**189.30**	**0.71**	**97.87**

9. Non-current tax assets (net) / Current tax liabilities (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current tax assets (net) [Net of provision for tax of ₹14,324.37, (31 March 2017: ₹8,331.19; 1 April 2016: ₹9,837.85)]	101.74	120.28	153.55
Current tax liabilities(net) [net of advance tax ₹13,974.81 (31 March 2017: ₹14,765.27 ; 1 April 2016 ₹7,126.60)]	522.90	436.39	357.30

10. Other assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good, unless otherwise stated						
Capital advances	41.30	-	6.09	-	0.66	-
Prepaid expenses	26.31	64.83	0.24	80.71	0.32	88.92
Balance with government authorities	-	19.27	-	72.00	-	95.51
Deferred rent	59.28	15.19	57.58	10.41	67.99	10.41
Total	**126.89**	**99.29**	**63.91**	**163.12**	**68.97**	**194.84**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

11. Current investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A) Investments measured at fair value through profit and loss			
Mutual funds			
Quoted			
UTI QIP III - Direct -Scheme Code 257- Growth	-	-	2,522.65
Nil (31 March, 2017: Nil, 01 April, 2016: 12,381,938) units of face value of ₹10 each.			
HDFC FMP 1128D March 2015 (1) - Direct - Growth -Series-33	19.12	-	-
150,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
Unquoted			
Birla Sun Life Cash Plus - Direct Plan - DDR	-	-	2,402.62
Nil (31 March, 2017: Nil, 01 April, 2016: 2,397,947) units of face value of ₹1,000 each.			
Kotak Floater - STP- Direct Plan-Growth	-	2,301.34	-
Nil (31 March, 2017: 86,212.6863, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
SBI Magnum - Insta Cash Fund -Liquid Floater - Direct Plan - DDR	-	-	2,465.35
Nil (31 March, 2017: Nil, 01 April, 2016: 244,138) units of face value of ₹1,000 each.			
Sbi Premier Liquid Fund - Direct - DDR	-	-	1,000.88
Nil (31 March, 2017: Nil, 01 April, 2016: 99,778) units of face value of ₹1,000 each.			
Axis Treasury Advantage Fund - Direct Plan DDR	-	-	2,558.56
Nil (31 March, 2017: Nil, 01 April, 2016: 254,586) units of face value of ₹1,000 each.			
Axis Liquid Fund -Direct Growth- CFDG	2,067.00	1,228.09	-
107,235.5860 (31 March, 2017: 68,105, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
Birla Sun Life Floating Rate Fund - LTP- Direct Plan - DDR	-	-	2,484.32
Nil (31 March, 2017: Nil, 01 April, 2016: 2,472,763) units of face value of ₹100 each.			
Birla Sun Life Floating Rate Fund - LTP- Direct Plan - Growth	-	2,403.12	-
Nil (31 March, 2017: 1,197,682, 01 April, 2016: Nil) units of face value of ₹100 each.			
Birla Sun Life Savings Fund - Direct Plan DDR	-	-	518.48
Nil (31 March, 2017: Nil, 01 April, 2016: 516,946) units of face value of ₹100 each.			
Aditya Birla Sun Life Savings Fund - Growth-Direct Plan	2,600.36	2,618.65	-
756,083.591 (31 March, 2017: 81,8044, 01 April, 2016: Nil) units of face value of ₹100 each.			
HDFC Floating Rate Income Fund - STP - Wholesale Plan - Direct DDR	-	-	2,531.81
Nil (31 March, 2017: Nil, 01 April, 2016: 25,114,957) units of face value of ₹100 each.			
HDFC Floating Rate Income Fund - STP - Wholesale Plan - Direct Growth	-	2,590.14	-
Nil (31 March, 2017: 9,133,219, 01 April, 2016: Nil) units of face value of ₹10 each.			
HDFC Cash Management Fund - Treasury Advantage - Direct - DDR	-	-	2,025.33

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

11. Current investments *(Contd.)*

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Nil (31 March, 2017: Nil, 01 April, 2016: 20,189,732) units of face value of ₹10 each.			
HDFC Cash Management Fund - Treasury Advantage - Direct - Growth	-	2,642.75	-
Nil (31 March, 2017: 7,459,691, 01 April, 2016: Nil) units of face value of ₹10 each.			
ICICI Ultra Short Term Fund - Direct Plan Growth	-	2,684.83	-
Nil (31 March, 2017: 15,689,374.537, 01 April, 2016: Nil) units of face value of ₹10 each.			
Axis Treasury Advantage Fund - Direct Growth- TADG	2,479.80	-	-
125,188.19 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
Kotak Treasury Advantage Fund - Direct Plan Growth	2,436.12	-	-
8629370.583 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
ICICI Prudential Flexible Income - Direct Plan - Growth	1,143.26	2,094.95	-
341,190.123 (31 March, 2017: 670,227.496, 01 April, 2016: Nil) units of face value of ₹100 each.			
IDFC Money Manager Treasury Plan - Direct Plan Growth	-	307.13	-
Nil (31 March, 2017: 1,172,849.236, 01 April, 2016: Nil) units of face value of ₹10 each.			
IDFC Ultra Short Term Fund Direct Plan DDR	-	-	2,267.84
Nil (31 March, 2017: Nil, 01 April, 2016: 22,554,173) units of face value of ₹10 each.			
IDFC Ultra Short Term Fund-Growth-(Direct Plan)	2,427.37	2,447.88	-
9,789,046.057 (31 March, 2017: 10,572,729.366, 01 April, 2016: Nil) units of face value of ₹10 each.			
Reliance Medium Term-Direct Plan Growth	-	2,458.88	-
Nil (31 March, 2017: 7,088,200.592, 01 April, 2016: Nil) units of face value of ₹10 each.			
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan Growth Option	1,502.27	1,000.50	-
35,431.4820 (31 March, 2017: 25,218.256, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
Tata Treasury Manager - Direct Plan - DDR	-	-	1,353.40
Nil (31 March, 2017: Nil, 01 April, 2016: 134,215) units of face value of ₹1,000 each.			
TATA Floater Direct Plan DDR	-	-	2,657.34
Nil (31 March, 2017: Nil, 01 April, 2016: 264,835) units of face value of ₹1,000 each.			
TATA Money Market Fund-Direct Plan Growth	-	2,000.89	-
Nil (31 March, 2017: 78,052.876, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
UTI Floating Rate - STP Direct Growth	1,032.46	2,690.80	-

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

11. Current investments *(Contd.)*

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
35,467.516 (31 March, 2017: 98,995.878, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
UTI Treasury Advantage Fund - Direct Plan - DDR	-	-	2,389.97
Nil (31 March, 2017: Nil, 01 April, 2016: 238,435) units of face value of ₹1,000 each.			
UTI-Treasury Advantage Fund - IP -Direct Growth	1,011.52	1,559.73	-
41,909.98 (31 March, 2017: 69,155.706, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
UTI-Money Market Fund -IP -Direct Growth	1,722.78	-	-
88,359.052 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
HDFC Cash Management Fund	-	163.05	-
Nil (31 March, 2017: 460,267.44, 01 April, 2016: Nil) units of face value of ₹10 each.			
HDFC Cash Management Fund - Savings Plan - Direct Plan -Growth Option	12.59	-	-
347.296 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
B) Investments measured at amortised cost			
In Fixed Deposits: (unquoted)			
PNB Housing Finance Limited	636.51	-	-
Total	**19,091.16**	**31,192.73**	**27,178.55**
Aggregate market value of quoted investments	19.12	-	2,522.65
Aggregate value of unquoted investments	19,072.04	31,192.73	24,655.90

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 35.

12. Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables			
Secured, considered good	21.59	18.05	70.87
Unsecured, considered good	-	2.81	6.24
Total	**21.59**	**20.86**	**77.11**

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 35.

13. Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- in current accounts	870.24	720.63	435.79
- in settlement accounts	4,440.07	7,443.41	161.73
Total	**5,310.31**	**8,164.04**	**597.52**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

13A. Bank balance other than cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits having maturity of more than three months but less than twelve months from the reporting date*	6,120.61	4,681.05	9,339.00
In earmarked accounts			
-Current Accounts (unpaid dividend)#	5.46	-	-
Total	6,126.07	4,681.05	9,339.00

*Bank deposits includes ₹4,606.00 (31 March 2017: ₹3,219.00 ; 01 April 2016: ₹2,588.00) under lien with banks for overdraft facilities.

#The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes.

14. Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised equity share capital			
36,250,000 (31 March 2017: 36,250,000; 01 April 2016: 36,250,000) Equity shares of face value of ₹10 each	3,625.00	3,625.00	3,625.00
	3,625.00	3,625.00	3,625.00
Issued, subscribed and fully paid up equity share capital			
30,328,624 (31 March 2017: 28,812,193; 01 April 2016: 28,812,193) Equity shares of face value of ₹10 each	3,032.86	2,881.22	2,881.22
Less: 168,632 (31 March 2017: 201,132; 01 April 2016: 201,132) equity shares held by IEX ESOP Trust of face value of ₹10 each	(16.86)	(20.11)	(20.11)
	3,016.00	2,861.11	2,861.11

a. Movements in equity share capital outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Outstanding at the beginning of the year	28,611,061	2,861.11	28,611,061	2,861.11
Add: Conversion of CCPS of ₹10 each into Equity Shares of ₹10 each (refer note 14 (g))	1,516,431	151.64	-	-
Add: Option vested and excercised during the year (refer note 14 (i))	32,500	3.25	-	-
Outstanding at the end of the year	30,159,992	3,016.00	28,611,061	2,861.11

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of directors is subject to the

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

14. Equity share capital *(Contd.)*

approval of shareholders in the ensuing Annual general meeting.

c) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity Shares of ₹10 each fully paid up held by:						
DCB Power Ventures Limited	3,032,863	10.00	4,549,294	15.79	3,109,863	10.79
TVS Shriram Growth Fund 1B LLP	4,549,293	15.00	3,032,862	10.53	-	-
Multiples Private Equity Fund, India	1,31,361	0.43	2,429,878	8.43	2,429,878	8.43
Agri Power and Engineering Solutions Private Limited	1,513,398	4.99	1,655,557	5.75	1,655,557	5.75
Aditya Birla Private Equity Trust	25,639	0.08	1,516,853	5.27	1,516,853	5.27
Multiples Private Equity Fund I Limited	-	-	1,440,607	5.00	1,819,717	6.32
Westbridge Crossover Fund, LLC	1,440,609	4.75	1,440,609	5.00	-	-
Vistra ITCL India Limited (formerly known as IL and FS Trust Company Limited)	30,000	0.10	30,000	0.10	1,546,431	5.37
PTC India Financial Services Limited	-	-	-	-	1,516,431	5.26

d) **Details of shares issued for consideration other than cash / bonus shares / bought back.**

There are no shares issued by way of bonus shares or issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

e) **Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment**

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
For compulsorily convertible preference shares ('CCPS')	-	-	1,516,431	151.64	1,516,431	151.64

f) **Employee stock options**

Terms attached to stock options granted to employees are described in Note 42 regarding employee share based payments issued under the Employee Stock Option Scheme 2010.

g) As per terms of issuance of CCPS, the Company has converted 1,516,431 CCPS of face value of ₹10 each into 1,516,431 equity shares of ₹10/- each, in the ratio of 1:1 i.e. 1 equity shares for each CCPS held in the Company. (303,287 CCPS converted on 30 May 2017 and 1,213,144 CCPS converted on 20 September 2017).

h) During the year, the Company has completed the initial public offering of 6,065,009 equity shares of face value of ₹10 each at a price of ₹1,650 per equity share, through an Offer For Sale of equity shares by certain selling shareholders. The equity shares of the Company were listed on BSE Limited ('BSE') and National Stock Exchange ('NSE') with effect from 23 October 2017.

i) 32,500 options, from the options granted earlier, have been vested by the employees of the Company during the current financial year.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

15. Instruments entirely equity in nature

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised share capital			
3,500,000 (31 March 2017: 3,500,000; 01 April 2016: 3,500,000) Compulsory convertible preference shares (CCPS) of face value of ₹10 each	350.00	350.00	350.00
500,000 (31 March 2017: 500,000; 01 April 2016: 500,000) Preference shares of face value of ₹10 each	50.00	50.00	50.00
	400.00	**400.00**	**400.00**
Issued, subscribed and fully paid up Compulsory convertible preference shares			
Nil (31 March 2017: 1,516,431; 01 April 2016: 1,516,431) Compulsory convertible preference shares ('CCPS') of face value of ₹10 each	-	**151.64**	**151.64**
	-	**151.64**	**151.64**

a) **Movements in Compulsory convertible preference shares outstanding at the beginning and at the end of the reporting year:**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Compulsory convertible preference shares				
Outstanding at the beginning of the year	1,516,431	151.64	1,516,431	151.64
Less: Conversion of CCPS of ₹10 each into Equity Shares of ₹10 each (refer note 14 (g))	(1,516,431)	(151.64)	-	-
Outstanding at the end of the year	-	-	1,516,431	151.64

b) **Rights, preferences and restrictions attached to Compulsory Convertible Preference Shares ('CCPS')**

- Terms of conversion /redemption of CCPS

Nil (31 March 2017: 1,516,431 ; 01 April 2016: 1,516,431) CCPS with face value of ₹10 each are outstanding as on the date of the Balance sheet. These CCPS have the following important rights/ restrictions attached to them-

The conversion ratio for the CCPS shall be 1:1 i.e. 1 equity share of ₹10 each for each CCPS held.

Subject to the applicable laws, each of the CCPS shall be entitled to a dividend at the rate of 0.0001% per annum or the rate equal to the dividend paid on equity shares, whichever is higher, till the Conversion date. The dividend on CCPS would be non-cumulative.

CCPS shall be converted into equity shares by the Company upon the happening of (a) a Qualified IPO, or (b) upon being required to convert under law, or (c) upon the expiry of a period of 20 years from the date of their issuance, whichever is earlier ("Maturity Date").

In case of optional conversion, subject to applicable laws, CCPS (all or part, at the instance of the Investors) shall, prior to the Maturity Date, be convertible into Equity Shares in the Conversion Ratio defined above.

The CCPS shall in case of liquidation of the Company, if permitted by applicable Law and subject to terms hereof, rank senior to all kinds and classes of the Company's outstanding Equity Shares currently existing or established hereafter.

c) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Compulsory convertible preference shares of ₹10 each fully paid up held by:						
Lightspeed Venture Partners VIII Mauritius	-	-	1,516,431	100.00	1,516,431	100.00

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

16. Other equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium account	3,196.94	3,196.94	3,196.94
General reserves	3,018.72	3,018.72	3,018.72
Employee stock options outstanding account	19.62	10.46	9.03
Retained earnings	18,687.02	18,305.70	17,909.49
ESOP trust reserve	422.89	278.22	206.81
Other comprehensive income (measurements of defined benefit plan obligation, (net of tax))	11.20	(1.34)	-
Total	**25,356.39**	**24,808.70**	**24,340.99**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Securities premium account		
Opening balance	3,196.94	3,196.94
Add: received during the year	-	-
Closing balance	**3,196.94**	**3,196.94**
(b) General reserve		
Opening balance	3,018.72	3,018.72
Add: created during the year	-	-
Closing balance	**3,018.72**	**3,018.72**
(c) Employee stock options outstanding account		
Opening balance	10.46	9.03
Add: employee stock option expense (refer note 42)	9.16	1.43
Closing balance	**19.62**	**10.46**
(d) Retained earnings		
Opening balance	18,305.70	17,909.49
Add: Profit for the year	13,168.52	11,358.13
Less: Interim dividend on CCPS	-	(151.64)
Dividend distribution tax on CCPS (Refer note 16 (g))	-	(30.87)
Interim dividend on equity shares (Refer note 16 (g)) *	-	(2,881.21)
Dividend distribution tax on equity dividend	-	(586.55)
Final equity dividend paid (Refer note 16 (g)) *	(10,190.42)	(5,762.44)
Dividend distribution tax paid on equity dividend	(2,074.53)	(1,173.10)
Final dividend paid on CCPS (Refer note 16 (g))	(424.60)	(303.29)
Dividend distribution tax paid on CCPS	(86.44)	(61.74)
Transfer to ESOP trust reserve	(11.21)	(11.08)
	18,687.02	**18,305.70**
* includes dividend paid on shares held by ESOP trust		
(e) Other comprehensive income		
Opening balance	(1.34)	-
Add: actuarial gain/(loss) on defined benefit plan for the year(net of tax) (Refer note 29)	12.54	(1.34)
Closing balance	**11.20**	**(1.34)**
(f) ESOP trust reserve		
Opening balance	278.22	206.81
Add: Addition during the year	11.21	11.08
Add: Profit earned on sale of shares to employees by ESOP trust (net of tax of ₹17)	67.00	-
Add: Transfer of dividend on shares held by the ESOP trust from retained earnings	66.46	60.33
	422.89	**278.22**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

16. Other equity *(Contd.)*

Nature of reserves:

Securities premium reserve:

Securities premium account is used to record the premium on issue of shares/securities. This amount is utilized in accordance with the provisions of the Act.

General reserve:

Free reserve to be utilized as per provision of the Act.

Employee stock options outstanding account

Employee stock options outstanding account is used to record the impact of employee stock option scheme. Refer note 42 for further details of this plans.

ESOP trust reserve

ESOP trust reserve represents the surplus arising in the books of ESOP trust from profit on the issue of shares to employees, dividend earned by the trust and other income/ expenses included in the statement of profit and loss.

(g) Following dividend has been declared and paid by the Company

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
(i)	Equity shares		
	Final dividend for the year ended 31 March 2017 of ₹35 (31 March 2016 is ₹20 per share)	10,190.42	5,762.44
	Interim dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017 is ₹10 per share)	-	2,881.21
(ii)	Instruments entirely equity in nature (CCPS)		
	Final dividend for the year ended 31 March 2017 of ₹35 (31 March 2016 is ₹20 per share)	424.60	303.29
	Interim dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017 is ₹10 per share)	-	151.64

After the reporting dates the following dividends were proposed by the Board of Directors subject to the approval of shareholders at Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities. Dividends would attract corporate dividend tax when declared.

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
(i)	Equity shares		
	Final dividend for the year ended 31 March 2018 of ₹22*** (31 March 2017 of ₹35*)	6,672.30	10,190.42
	Dividend distribution tax paid on Equity shares	1,371.51	2,074.53
(ii)	Instruments entirely equity in nature (CCPS)		
	Final dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017 of ₹35**)	-	424.60
	Dividend distribution tax paid on CCPS	-	86.44

* On 12 June 2017, the Board of Directors has recommended a final dividend on equity shares of ₹35 per share for the financial year ended 31 March 2017 and the same was approved by the shareholders at the Annual General Meeting held on 25 July 2017.

** On 12 June 2017, the Board of Directors has recommended a final dividend on CCPS of ₹35 per CCPS for the financial year ended 31 March 2017 and the same was approved by the shareholders at the Annual General Meeting held on 25 July 2017.

*** On 26 April 2018, the Board of Directors has recommended a final dividend on equity shares of ₹22 per share for the financial year ended 31 March 2018 and the same is yet to be approved by the shareholders in the Annual General Meeting.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

17. Other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Deposits towards settlement guarantee fund	115.97	11,555.79	113.29	6,213.55	149.80	5,328.03
Deposit from employees	12.31	4.81	5.64	0.99	6.18	0.44
Creditors for capital goods	-	42.92	-	-	-	-
Advance from customers	-	310.67	-	-	-	-
Unpaid dividends	-	5.46	-	-	-	-
Other deposits	-	2,619.92	-	-	-	-
Employee related payables	-	420.13	-	316.42	-	208.27
Deposit from clearing and settlement bankers	-	1,600.00	-	1,600.00	-	1,600.00
Total	**128.28**	**16,559.70**	**118.93**	**8,130.96**	**155.98**	**7,136.74**

18. Provisions

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits (Refer Note 29)						
Gratuity	165.77	2.31	145.91	1.95	112.84	1.98
Compensated absences	97.03	14.64	81.28	12.21	60.12	10.81
	262.80	**16.95**	**227.19**	**14.16**	**172.96**	**12.79**

19. Other liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Deferred income settlement guarantee fund	14.29	15.38	9.59	14.76	14.08	24.79
Unamortised subscription fee income	-	1,038.82	-	1,277.76	-	1,164.39
Other advances	-	13.25	-	14.30	-	49.20
Statutory dues payables						
- Tax deducted at source payable	-	83.09	-	125.26	-	105.46
- Works contract tax payable	-	-	-	0.02	-	-
- Professional tax payable	-	0.06	-	-	-	-
- GST payable	-	453.45	-	-	-	-
- Provident fund payable	-	14.65	-	11.88	-	10.16
Total	**14.29**	**1,618.70**	**9.59**	**1,443.98**	**14.08**	**1,354.00**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

20. Trade Payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Due to micro and small enterprises *	-	-	-
Due to others	8,462.98	17,093.55	5,533.35
Liability towards congestion revenue	-	100.38	368.55
	8,462.98	**17,193.93**	**5,901.90**

*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information available with the Company, there are no amounts required to be disclosed in relation to Micro and Small Enterprises as at 31 March 2018, 31 March 2017 and 1 April 2016.

21. Revenue from operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of services		
Transaction fees	20,558.74	17,221.99
Annual subscription fees	2,371.58	2,520.38
Admission, processing and transfer fees	96.80	95.20
	23,027.12	19,837.57
Other operating revenues		
Amortisation of deferred Settlement Guarantee fund	17.68	26.95
Total	**23,044.80**	**19,864.52**

22. Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income from bank deposits	470.23	744.76
Interest income from financial assets at amortised cost (security deposits)	12.54	8.29
Other interest income	85.38	80.65
Dividend income	2.88	273.37
Net gain on sale of investments	1,482.08	2,216.42
Mark-to- market gain on investments	453.30	41.85
Miscellaneous income	55.93	57.32
Total	**2,562.34**	**3,422.66**

23. Employee benefits expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	2,200.67	1,403.34
Contribution to provident funds*	62.41	45.73
Gratuity*	42.05	35.39
Compensated absences*	37.40	32.34
Employee stock options expense (refer Note 42)	9.16	1.43
Staff welfare expense	56.00	29.65
Total	**2,407.69**	**1,547.88**

*Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 29.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

24. Finance Costs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on financial liabilities (settlement guarantee fund) measured at amortised cost	18.15	28.51
Interest		
- on bank overdraft	2.16	2.09
- on others	2.35	11.00
Total	22.66	41.60

25. Depreciation and amortisation

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipments	203.88	152.76
Amortisation of intangible assets	823.46	189.20
Total	1,027.34	341.96

26. Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	301.99	210.69
Technology	511.22	2,342.35
Business promotion/ development	86.49	55.46
Training and coaching	42.51	54.37
Legal and professional *	391.87	718.63
Travelling and conveyance expenses	93.90	64.34
Advertisement	15.44	15.76
Insurance	9.18	11.74
Communication	56.87	56.17
CERC regulatory fee	55.28	56.27
Printing and stationery	17.69	11.20
Directors sitting fees	57.99	47.64
Repairs and maintenance - building	70.23	52.11
Repairs and maintenance - others	7.62	9.94
Electricity	34.91	22.94
Fixed assets written off	0.42	-
Bad debts	-	0.15
Contribution towards corporate social responsibility (Refer note 33)	304.76	206.58
Miscellaneous	91.57	34.20
Total	2,149.94	3,970.54

a) Details in respect of payment to auditors:

* Include payment to auditors as follows :

-Audit fee	16.00	13.00
-Other services #	15.45	6.00
-Reimbursement of expenses	2.30	2.72
Total	33.75	21.72

Net of IPO related fees recovered from the shareholder amounting to ₹124.18 (previous year ₹12.00)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

27. Income taxes

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax expense		
Current tax	5,396.00	6,111.29
Current tax for earlier years	(123.77)	105.08
Total current tax expense	5,272.23	6,216.37
Deferred tax expense		
Origination and reversal of temporary differences	1,558.76	(189.30)
	1,558.76	(189.30)
Total income tax expense	**6,830.99**	**6,027.07**

ii) Income tax recognised in other comprehensive income

Particulars	31 March 2018			31 March 2017		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Remeasurement of defined benefit plans	19.17	(6.63)	12.54	(2.05)	0.71	(1.34)
	19.17	**(6.63)**	**12.54**	**(2.05)**	**0.71**	**(1.34)**

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	31 March 2018	31 March 2017
Profit befor income tax expense	19,999.51	17,385.20
Enacted tax rates in India	34.6080%	34.6080%
Computed expected tax (expenses)/credit	**6,921.43**	**6,016.67**
Tax effect of amounts which are not deductible (taxable) in calulating taxable income:		
Non-deductible tax expenses	61.20	206.15
Tax-exempt income	(148.13)	(104.85)
Others	(3.51)	(90.90)
Income tax expense	**6,830.99**	**6,027.07**

b) Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since at year end, the Board of Directors of the Company in the meeting held on 26 April 2018 (previous year 12 June 2017)have recommended the payment of final dividend to equity shareholders amounting to ₹6,672.30 (31 March 2017: ₹10,190.42). The dividend distribution tax on this proposed dividend amounting to 1,371.51 (31 March 2017: ₹2,074.53) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Simlarly, the Board of Directors of the Company, had recommended the payment of final dividend to preference shareholders amounting to Nil (31 March 2017: ₹424.60). The dividend distribution tax on this proposed dividend amounting to Nil (31 March 2017: ₹86.44) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

28. Earnings per Share

(a) Basic and diluted earnings per share (in ₹)

Particulars	31 March 2018	31 March 2017
Basic earnings per share	44.61	39.06
Diluted earnings per share	44.05	37.67
Nominal value per share	**10.00**	**10.00**

(b) Profit attributable to equity shareholders (used as numerator)

Particulars	31 March 2018	31 March 2017
Profit attributable to equity holders for basic earnings	13,168.52	11,358.13
Less: Dividend on compulsory convertible preference shares	-	151.64
Less: Dividend distribution tax on compulsory convertible preference shares	-	30.87
Profit attributable to equity holders	13,168.52	11,175.62

(c) Weighted average number of equity shares (used as denominator) (in Nos.)

Particulars	31 March 2018	31 March 2017
Opening balance of issued equity shares	28,611,061	28,611,061
Weighted average number of equity shares outstanding at the end of year for calculation of Basic earnings per share	**29,521,161**	**28,611,061**
Add: Number of potential equity shares in respect of Compulsory Convertible Preference shares and stock option	372,327	1,541,420
Weighted average number of equity shares for calculation of diluted earnings per share	**29,893,488**	**30,152,481**

29. Employee benefits

(i) Defined contribution plans:

Provident fund

The Company makes contributions, determined as a specified percentage of employee's salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as expense towards such contribution to provident fund for the year aggregated to ₹62.41 (31 March 2017 ₹45.73) .

(ii) Defined benefit plans:

A. Gratuity

The Company has a defined benefit plan that provide gratuity. The gratuity plan entitles all eligible employees who has completed five years or more of service to receive one half month's salary for each year of completed service at the time of retirement, superannuation, death or permanent disablement, in terms of the provisions of the payment of Gratuity Act or as per company's scheme whichever is more beneficial. The following table summarizes the position of assets and obligations:

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Net defined benefit liability:			
Gratuity (unfunded)	168.08	147.86	114.82
	168.08	147.86	114.82
b) Classfication of defined benefit liability in current and non-current:			
Non-current	165.77	145.91	112.84
Current	2.31	1.95	1.98

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

29. Employee benefits *(Contd.)*

c) Reconciliation of present value of defined benefit obligation:

Particulars	Defined benefit obligation	
	31 March 2018	31 March 2017
Balance at the beginning of the year	147.86	114.82
Benefits paid	(2.67)	(4.39)
Current service cost	31.18	26.32
Interest cost	10.87	9.07
Actuarial (gain)/ loss recognised in other comprehensive income		
-Demographic assumptions	-	-
-Financial assumptions	(7.15)	9.57
-Experience adjustment	(12.02)	(7.52)
Balance at the end of the year	**168.08**	**147.86**

d) Expense recognised in profit or loss:

Particulars	31 March 2018	31 March 2017
Current service cost	31.18	26.32
Interest Cost	10.87	9.07
	42.05	35.39

e) Remeasurement recognised in other comprehensive income:

Particulars	31 March 2018	31 March 2017
Actuarial (gain)/ loss on defined benefit obligation	(19.17)	2.05
	(19.17)	2.05

f) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.71%	7.35%	7.90%
Salary escalation rate	8.00%	8.00%	8.00%
Retirement age (years)	60	60	60
Mortality rates inclusive of provision for disability	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1

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

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

29. Employee benefits *(Contd.)*

Particulars	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(9.70)	10.65	(8.92)	9.81
Salary escalation rate (0.5% movement)	10.57	(9.72)	9.70	(8.90)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior years.

h) Risk exposure:

i) Changes in discount rate

A decrease in discount yield will increase plan liabilities.

ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

Expected maturity analysis of gratuity in future years

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31 March 2018	2.31	2.45	8.04	155.28	168.08
As at 31 March 2017	1.95	2.05	16.01	127.85	147.86
As at 1 April 2016	1.98	7.52	5.63	99.69	114.82

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are ₹47.28 (31 March 2018: ₹39.33,1 April 2017: ₹31.80).

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 20.12 years (31 March 2017: 20.15 years, 1 April 2016: 20.10 years).

(iii) Other long term employee benefit plans

Other long term employee benefit plans comprises of compensated absences.

The Company operates compensated absences plan (earned leaves), where in every employee is entitled to the benefit equivalent to 21 days salary for every completed year of service which is subject to maximum of 60 days accumulation of leaves. The same is payable during early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

The Company also recognises sick leave provision, where in every employee is entitled to the benefit equivalent to 10 days salary for every completed year of service which is subject to maximum of 60 days accumulation of leaves. The salary for calculation of earned leave & sick leaves are last drawn basic salary.

The amount of the provision of ₹14.64 (31 March 2017: ₹12.21, 01 April 2016: ₹10.81) is presented as current liability as per the acturial report.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

30. Leases

Operating leases

Leases as lessee

The Company has taken office premises under operating lease arrangements. The lease period for office premises taken under non-cancellable lease agreement is 9 years with lock-in-period of 3 years, thereafter the same can be cancelled by lessee by giving notice of three months to the lessor. Lease rental expenses recognised in the Statement of Profit and Loss for the year ended 31 March 2018 is ₹301.99 (31 March 2017: ₹210.69)

Total future minimum lease payments due under non-cancellable operating leases are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Less than one year	335.64	202.17	188.85
Between one and five years	1,205.52	916.59	869.01
More than five years	269.43	382.01	631.76
	1,810.59	**1,500.77**	**1,689.62**

31. Contingent liabilities and commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹19.90 (previous year ₹10,815.80)

b) The Company is directly or indirectly (through its members/other parties) involved in other lawsuits, claims, and proceedings, which arise in the ordinary course of business. The Company or its members/other parties have challenged these litigation with respective authorities. Based on the facts currently available, management believes that likelihood of outflow of resources is remote.

32. Provision for pending litigations

The Company's pending litigations comprise proceedings pending with Income Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. Based on current knowledge of applicable laws, the Company carries a provision of ₹22.00 (previous year ₹22) in its financial statements which is pertaining to various assessment years.

33. Corporate social responsibility

Pursuant to section 135 of the Companies Act, 2013, the Company has incurred expenditure in respect of eradication of hunger and malnutrition, promoting education, healthcare, art & culture, environment sustainability, diasater relief, skill development etc. Details of expenses incurred are given below:-

31 March 2018

a) Gross amount required to be spent by the Company during the year was ₹301.69.

b) Amount spent during the year on

Particulars	In cash	Yet to be paid	Total
Construction/acquisition of any assets	-	-	-
On purpose other than (i) above	301.91	2.85	304.76
Total	**301.91**	**2.85**	**304.76**

31 March 2017

a) Gross amount required to be spent by the Company during the year was ₹274.90.

b) Amount spent during the year on

Particulars	In cash	Yet to be paid	Total
Construction/acquisition of any assets	-	-	-
On purpose other than (i) above	204.43	2.15	206.58
Total	**204.43**	**2.15**	**206.58**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

34. Fair Value Measurements

(a) Financial instruments by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31March 2018

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments (bonds)	-	428.40	428.40	-	-	428.40
Mutual fund	7,327.15	-	7,327.15	-	7,327.15	-
Loans (security deposits)#	-	138.00	138.00	-	-	138.00
Current						
Investments						
- Mutual funds	18,454.65	-	18,454.65	-	18,454.65	-
- Fixed deposits (PNB Housing Finance)*	-	636.51	636.51	-	-	-
Trade receivables*	-	21.59	21.59	-	-	-
Loans (current security deposit and advances to employees)*	-	2.94	2.94	-	-	-
Cash and cash equivalents*	-	5,310.31	5,310.31	-	-	-
Bank balances other than cash and cash equivalent*	-	6,126.07	6,126.07	-	-	-
Other financial assets-others recoverable*	-	6,700.99	6,700.99	-	-	6,700.99
	25,781.80	**19,364.81**	**45,146.61**	**-**	**25,781.80**	**7,267.40**
Financial liabilities						
Non-current						
Other financial liabilities						
- Settlement guarantee fund #	-	115.97	115.97	-	-	115.97
-Deposits from employees	-	12.31	12.31	-	-	-
Current						
Trade payables*	-	8,462.98	8,462.98	-	-	-
Other financial liabilities						
- Settlement guarantee fund #	-	11,555.79	11,555.79	-	-	11,555.79
-Others (excluding settlement guarantee fund)*	-	5,003.91	5,003.91	-	-	-
	-	**25,150.96**	**25,150.96**	**-**	**-**	**11,671.76**

As at 31 March 2017

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments (bonds)	-	428.42	428.42	-	-	428.42
Mutual fund	6,101.71		6,101.71	-	6,101.71	-
Fixed deposits (PNB Housing Finance)*	-	586.66	586.66	-	-	
Loans (security deposits)#	-	88.13	88.13	-	-	88.13
Bank deposits*	-	2,582.69	2,582.69	-	-	-
Current						
Investments						

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

34. Fair Value Measurements *(Contd.)*

As at 31 March 2017

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
- Mutual funds	31,192.73	-	31,192.73	-	31,192.73	-
Trade receivables*	-	20.86	20.86	-	-	-
Loans (current security deposit and advances to employees)*	-	3.67	3.67	-	-	-
Cash and cash equivalents*	-	8,164.04	8,164.04	-	-	-
Bank balances other than cash and cash equivalent*	-	4,681.05	4,681.05	-	-	-
Other financial assets- other recoverable*	-	170.80	170.80	-	-	170.80
	37,294.44	**16,726.32**	**54,020.76**	**-**	**37,294.44**	**687.35**
Financial liabilities						
Non-current						
Other financial liabilities						
- Settlement guarantee fund #	-	113.29	113.29	-	-	113.29
-Deposits from employees	-	5.64	5.64	-	-	5.64
Current						
Trade payables*	-	17,193.93	17,193.93	-	-	-
Other financial liabilities						
- Settlement guarantee fund #	-	6,213.55	6,213.55	-	-	6,213.55
-Others (excluding settlement guarantee fund)* *	-	1,917.41	1,917.41	-	-	-
	-	**25,443.82**	**25,443.82**	**-**	**-**	**6,332.48**

As at 1 April 2016

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments (bonds)	-	422.22	422.22	-	-	422.22
Mutual fund	84.05	-	84.05	-	84.05	-
Fixed deposits (PNB Housing Finance)*	-	545.23	545.23	-	-	-
Loans (security deposits)#	-	79.84	79.84	-	-	79.84
Bank deposits*	-	2,659.90	2,659.90	-	-	-
Current						
Investments						
- Mutual funds	27,178.55	-	27,178.55	-	27,178.55	-
Trade receivables*	-	77.11	77.11	-	-	-
Loans (current security deposit and advances to employees)*	-	2.49	2.49	-	-	-
Cash and cash equivalents*	-	597.52	597.52	-	-	-
Bank balances other than cash and cash equivalent*	-	9,339.00	9,339.00	-	-	-
Other financial assets- other recoverable*	-	3.35	3.35	-	-	-
	27,262.60	**13,726.66**	**40,989.26**	**-**	**27,262.60**	**502.06**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

34. Fair Value Measurements *(Contd.)*

As at 1 April 2016

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial liabilities						
Non-current						
Other financial liabilities						
- Settlement guarantee fund #	-	149.80	149.80	-	-	149.80
-Deposits from employees*	-	6.18	6.18	-	-	6.18
Current						
Trade payables*	-	5,901.90	5,901.90	-	-	-
Other financial liabilities						
- Settlement guarantee fund #	-	5,328.03	5,328.03	-	-	5,328.03
-Others (excluding settlement guarantee fund)* *	-	1,808.71	1,808.71	-	-	-
	-	**13,194.62**	**13,194.62**	**-**	**-**	**5,484.01**

*The carrying amounts of trade receivables, trade payables, other current financial liabilities, cash and cash equivalent, bank balances other cash and cash equivalents, loans (security deposits) and other current financial assets, approximates the fair values, due to their short-term nature. In case of the non current bank deposits (due to maturity after twelve months from reporting date) and interest accrued but not due on bank deposits, and fixed deposit (in PNB Housing Finance) and interest accrued on the same, again the carrying value approximates the fair values as on the date.

#The fair values for security deposits given and deposit for settlement guarantee fund were calculated based on cash flows discounted using effective interest rate ('EIR') method. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk/own credit risk.

Valuation technique used to determine fair value:

Specific valuation techniques used to fair value of financial instruments include:

a) the use of quoted market prices for quoted mutual funds

b) the use of NAV for unquoted mutual funds

c) the fair value of the remaining financial instruments are discounted at appropriate discounting rate

There have been no transfers in either direction for the year ended 31 March 2018 and year ended 31 March 2017.

35. Financial Risk Management

The Company activities expose it to the followings risks arising from the financial instruments:

- Credit risk

- Liquidity risk

- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk Management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analysis the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The board provides written principles for overall risk management, as well as policies

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

35. Financial Risk Management *(Contd.)*

covering specific areas, such as regulatory risk, compliance risk, technology related risk, IT risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Company's risk management is carried out by an enterprise risk management committee under policies approved by the board of directors.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from trade receivables, investments, loans and advances, cash and cash equivalents and deposits with banks and other financial assets. The carrying amount of the financial assets represents maximum credit exposure.

Credit risks on cash and cash equivalents and bank deposits is limited as the Company generally invest in deposits with banks with High credit ratings assigned by domestic credit agencies. Investments primarily include investments in liquid mutual fund units and investment in bonds with fixed interest income. The management actively monitors the net asset value of investments in mutual funds, interest rate and maturity period of these investments. The Company does not expect the counterparty to fail to meet its obligations. Further also, the Company has not experienced any significant impairment losses in respect of any of the investments. The loans primarily represents security deposits given for facilities taken on rent. Such security deposit will be returned to the Company at the end of lease term. Hence, the credit risk associated with such deposits is relatively low. Accordingly, no provision for expected credit loss has been provided on these financial assets.

Credit risk on trade receivable is also very limited. The Company mitigates its exposure to risks relating to trade receivables from its members / clients by requiring them to comply with the Company's established financial requirements and criteria for admission as members / clients. As a process, the Company collects the amounts from buyer for purchase of power, including transmission and other charges and exchange fees on the day of trade and pay out the amount to seller for sale of power on the second day from the day of trade (one day after actual delivery). Further, transmission charges etc. are paid to system operator on the next day from the day of trade. Further, the Company also holds and maintain settlement guarantee funds for settlement of defaults by any of the members/ clients.

(i) Exposure to credit risk

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

Particulars	31 March 2018	31 March 2017	01 April 2016
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Investments (Non current and current)	26,846.71	38,309.52	28,230.05
Non-current loans	138.00	88.13	79.84
Other non-current financial assets - bank deposits	-	2,582.69	2,659.90
Cash and cash equivalents	5,310.31	8,164.04	597.52
Bank balance other than cash and cash equivalent	6,126.07	4,681.05	9,339.00
Current loans	2.94	3.67	2.49
Other current financial assets - other recoverables	6,700.99	170.80	3.35
	45,125.02	**53,999.90**	**40,912.15**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	21.59	20.86	77.11
	21.59	**20.86**	**77.11**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

35. Financial Risk Management *Contd.)*

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, 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 impairment loss has been recognised during the reporting years in respect of trade receivables.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as 31 March 2018	-	15.70	-	-	-	5.89	21.59
Gross carrying amount as 31 March 2017	-	13.60	1.15	-	1.75	4.36	20.86
Gross carrying amount as 01 April 2016	-	59.86	3.43	-	10.45	3.37	77.11

36. Financial Risk Management

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity 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, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien) and short-term investments of ₹30,527.54 as at 31 March 2018 (31 March 2017: ₹44,037.82 ; 1 April 2016 ₹37,115.07) and anticipated future internally generated funds from operations, will enable it to meet its future known obligations in the ordinary course of business. However, liquidity needs were to arise, the Company believes it has access to financing arrangements which would enable it to meet its ongoing capital, operating and other liquidity requirements.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	31 March 2018	31 March 2017	01 April 2016
Floating-rate borrowings			
Overdraft facilities from banks*	3,579.20	4,000.00	4,000.00
Total	**3,579.20**	**4,000.00**	**4,000.00**

* the overdraft facilities may be drawn at any time

(ii) Maturities of financial liabilities

The following are the contractual maturities of financial liabilities at the reporting date. The contractual cash flow amount are gross and undiscounted.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

36. Financial Risk Management *Contd.)*

31 March 2018

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	8,462.98	8,462.98	-	-	-	-	8,462.98
Deposits towards settlement guarantee fund- Non current	115.97			50.00	92.50	-	142.50
Deposits towards settlement guarantee fund- Current	11,555.79	11,502.60	60.00	-	-	-	11,562.60
Deposit from employees- Non Current	12.31			1.39	10.92	-	12.31
Deposit from employees- Current	4.81	0.56	4.25	-	-	-	4.81
Employee related payables	420.13	420.13	-	-	-	-	420.13
Deposit from clearing and settlement bankers	1,600.00	1,600.00	-	-	-	-	1,600.00
Creditors for capital goods	42.92	42.92	-	-	-	-	42.92
Advance from customers	310.67	310.67	-	-	-	-	310.67
Unpaid dividend	5.46	5.46	-	-	-	-	5.46
Other deposits	2,619.92	2,619.92	-	-	-	-	2,619.92
	25,150.96	**24,965.24**	**64.25**	**51.39**	**103.42**	**-**	**25,184.30**

31 March 2017

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	17,193.93	17,193.93	-	-	-	-	17,193.93
Deposits towards settlement guarantee fund- Non current	113.29			85.00	50.00		135.00
Deposits towards settlement guarantee fund- Current	6,213.55	6,146.92	70.00	-	-	-	6,216.92
Deposit from employees- Non Current	5.64	-		4.25	1.39	-	5.64
Deposit from employees- Current	0.99	0.44	0.55	-	-	-	0.99
Employee related payables	316.42	316.42	-	-	-	-	316.42
Deposit from clearing and settlement bankers	1,600.00	1,600.00	-	-	-	-	1,600.00
	25,443.82	**25,257.71**	**70.55**	**89.25**	**51.39**	**-**	**25,468.90**

01 April 2016

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	5,901.90	5,901.90	-	-	-	-	5,901.90
Deposits towards settlement guarantee fund- Non current	149.80			95.00	85.00	-	180.00

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

36. Financial Risk Management *Contd.)*

01 April 2016

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Deposits towards settlement guarantee fund- Current	5,328.03	5,153.99	185.00	-	-	-	5,338.99
Deposit from employees- Non Current	6.18	-		0.55	5.64	-	6.19
Deposit from employees- Current	0.44	-	0.44	-	-	-	0.44
Employee related payables	208.27	208.27	-	-	-	-	208.27
Deposit from clearing and settlement bankers	1,600.00	1,600.00	-	-	-	-	1,600.00
	13,194.62	**12,864.16**	**185.44**	**95.55**	**90.64**	**-**	**13,235.79**

Market risk

Market risk is the risk that future cash flows of a financial instruments will fluctuate because of change in market price. Market comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

A. Currency risk

Currency is the risk that the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to the effects of fluctuations in the prevailing foreign exchange rates on its financial position and cash flows since all financial assets / liabilities are receivable / payable in Indian currency.

B. Interest rate risk

Interest rate risk is the risk that future cash flows of financial instruments will fluctuate because of change in market interest risks. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Financial Assets			
Fixed-rate instruments			
Investments in bonds	428.40	428.42	422.22
Fixed deposits	6,757.12	7,850.40	12,544.13
	7,185.52	**8,278.82**	**12,966.35**

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

37. Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. For the purpose of the Company's capital management, the Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents & bank balance other than cash and cash equivalents. Adjusted equity includes issued equity share capital, Instruments entirely equity in nature and other equity comprises share premium, retained earnings etc..

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Adjusted net debt	29,054.11	27,575.12	15,197.88
Less : Cash and cash equivalent & bank balance other than cash and cash equivalents	11,436.38	12,845.09	9,936.52
Adjusted net debt (A)	17,617.73	14,730.03	5,261.36
Adjusted equity (B)	28,372.39	27,821.45	27,353.74
Adjusted net debt to adjusted equity ratio (A/B)	**62.09%**	**52.94%**	**19.23%**

38. Operating segments

The Company is a power exchange. The entire operations are governed by the similar set risk and returns. Accordingly, the Company's activities/ business is reviewed regularly by the Company's Managing Director alongwith the Board of Directors of the Company, from an overall business perspective, rather than reviewing its activities as individual standalone components. Thus, the Company has only one operating segment, and no reportable segments in accordance with Ind AS 108 - Operating Segments.

39. Related Party Disclosures

a) List of Related parties:

i) Key Managerial Personnel (KMP):

Name	Relationship
Satyanarayan Goel	Managing director & CEO
Dinesh Kumar Mehrotra	Independent director
Kayyalathu Thomas Chacko	Independent director
Vallabh Bhanshali	Independent director
Ajeet Kumar Agarwal (REC representative)	Non executive director (Nominee)

b) Transactions with the related parties are as follows:

Transactions during the year	For the year ended 31 March 2018	For the year ended 31 March 2017
i. Compensation to Key managerial personnel (S.N. Goel)		
Short term employee benefits	231.42	196.80
Post employment benefits #	-	-
Share based payment	2.20	1.43
Other long term benefits #	-	-
Sitting fees *		
Dinesh Kumar Mehrotra	24.00	19.50
K.T.Chacko	15.90	21.30
Vallabh Bhanshali	2.40	4.80
Ajeet Kumar Agarwal (REC representative)	0.90	1.80

* Amount is exclusive of tax.

Does not include gratuity and compensated absences as these are provided based on the Company as whole.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

39. Related Party Disclosures *Contd.)*

c) Outstanding balances with related parties are as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Payable to key management personnel			
Mr. S.N. Goel @	54.00	50.00	40.00

@ Provision towards variable pay as per his terms of appointment

40. First-time Adoption of Ind AS

With effect from 1 April 2017, the Company is required to prepare its financial statements in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') (including subsequent amendments thereto) and other relevant provisions of the Act. Accordingly, the Company's management has now prepared the Ind AS financial statements.

In preparing these Ind AS Financial Statements, the Company's Opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2016 compared with those presented in the Indian GAAP Balance Sheet as of 31 March 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

Following notes explain the principal adjustments made by the Company in restating Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Optional exemptions availed and mandatory exceptions

In the Ind AS Opening Balance Sheet as at 1 April 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

i. **Property, plant and equipment and other intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment and other intangible assets at their previous GAAP carrying value.

ii. **Estimates**

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

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. Key estimates considered in preparation of financial statements that one not required under the previous GAAP are listed below :

-Fair valuation of financial instruments carried at FVTPL.

-Determination of discounted value of financial instruments carried at amortised cost.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.)*

iii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

iv. Classification and measurement of financial liabilities

Ind AS 101 requires an entity to assess classification of financial liabilities on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial liabilities accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

Reconciliation of equity as at 1 April 2016 and as at 31 March 2017

Particulars	Note	1 April 2016			31 March 2017		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
ASSETS							
Non-current assets							
Property, plant and equipment	g	730.51	(33.03)	697.48	633.72	(28.65)	605.07
Capital work-in progress		-	-	-	33.28	-	33.28
Other intangible assets		407.28	-	407.28	229.52	-	229.52
Intangible assets under development		40.24	-	40.24	62.77	-	62.77
Financial Assets				-	-		
Investments	c,h	967.45	84.05	1,051.50	7,015.07	101.72	7,116.79
Loans	a	163.67	(83.83)	79.84	163.66	(75.53)	88.13
Other financial assets- Bank deposits		2,659.90	-	2,659.90	2,582.69	-	2,582.69
Deferred tax assets (net)	d	-	-	-	128.38	(30.51)	97.87
Non-current tax assets (net)	h	149.84	3.71	153.55	117.98	2.30	120.28
Other non-current assets	a	0.97	68.00	68.97	6.32	57.59	63.91
		5,119.86	**38.90**	**5,158.76**	**10,973.39**	**26.92**	**11,000.31**
Current Assets							
Financial assets							
Investments	c,h	27,151.62	26.93	27,178.55	31,010.54	182.19	31,192.73
Trade receivables		77.11	-	77.11	20.86	-	20.86
Cash and cash equivalent	h	597.50	0.02	597.52	8,163.21	0.83	8,164.04
Bank balances other than cash and cash equivalent	h	9,239.00	100.00	9,339.00	4,676.05	5.00	4,681.05
Loans		2.49	-	2.49	3.67	-	3.67
Other financial assets- Other recoverables		3.35	-	3.35	170.80	-	170.80
Other current assets	a	184.43	10.41	194.84	152.71	10.41	163.12
		37,255.50	**137.36**	**37,392.86**	**44,197.84**	**198.43**	**44,396.27**
Total Assets		**42,375.36**	**176.26**	**42,551.62**	**55,171.23**	**225.35**	**55,396.58**

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.)*

Reconciliation of equity as at 1 April 2016 and as at 31 March 2017

Particulars	Note	1 April 2016			31 March 2017		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
EQUITY & LIABILITIES							
Equity							
Equity share capital	h	2,881.22	(20.11)	2,861.11	2,881.22	(20.11)	2,861.11
Instruments entirely equity in nature		151.64	-	151.64	151.64	-	151.64
Other equity	h	16,784.94	7,556.05	24,340.99	24,466.28	342.42	24,808.70
		19,817.80	**7,535.94**	**27,353.74**	**27,499.14**	**322.31**	**27,821.45**
Liabilities							
Non-current liabilities							
Financial liabilities							
Other financial liabilities	b	186.18	(30.20)	155.98	140.63	(21.70)	118.93
Provisions	f	164.60	8.36	172.96	227.19	-	227.19
Deferred tax liabilities (net)	d	88.50	3.63	92.13	-	-	-
Other non-current liabilities	b,g	70.01	(55.93)	14.08	95.36	(85.77)	9.59
		509.29	**(74.14)**	**435.15**	**463.18**	**(107.47)**	**355.71**
Current liabilities							
Financial liabilities							
Trade payables		5,901.90	-	5,901.90	17,193.93	-	17,193.93
Other financial liabilities		7,147.70	(10.96)	7,136.74	8,134.33	(3.37)	8,130.96
Other current liabilities	g	1,329.21	24.79	1,354.00	1,430.09	13.89	1,443.98
Provisions	e	7,312.20	(7,299.41)	12.79	14.16	-	14.16
Current tax liabilities (net)		357.26	0.04	357.30	436.39	-	436.39
		22,048.27	**(7,285.54)**	**14,762.73**	**27,208.90**	**10.52**	**27,219.42**
Total equity and liabilities		**42,375.36**	**176.26**	**42,551.62**	**55,171.23**	**225.35**	**55,396.58**

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

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	Previous GAAP*	Adjustments	Ind ASs
INCOME				
Revenue from operations	b	19,837.57	26.95	19,864.52
Other income	a, b, c,h	3,391.02	31.64	3,422.66
Total Income		**23,228.59**	**58.59**	**23,287.18**
EXPENDITURE				
Employee benefits	f	1,557.16	(9.28)	1,547.88
Finance costs	a, b,h	13.08	28.52	41.60
Depreciation and amortisation	g	346.35	(4.39)	341.96
Other expenses	a ,b	3,986.19	(15.65)	3,970.54
Total Expenses		**5,902.78**	**(0.80)**	**5,901.98**
Profit before tax		**17,325.81**	**59.39**	**17,385.20**
Current tax				
Current year	h	6,106.00	5.29	6,111.29
Earlier years		105.08	-	105.08
Deferred tax				
Current year	d	(216.88)	27.58	(189.30)
		5,994.20	32.87	6,027.07

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS Contd.)

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	Previous GAAP*	Adjustments	Ind ASs
Profit after tax		11,331.61	26.52	11,358.13
Other comprehensive income				
Items that will not be reclassified to profit or loss (net of tax)				
- Net actuarial gains/(losses) on defined benefit plans	f	-	(1.34)	(1.34)
Other comprehensive income for the year, net of income tax		-	(1.34)	(1.34)
Total comprehensive income for the year		11,331.61	25.18	11,356.79

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

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Note	As at 31 March 2017	As as 1 April 2016
Total equity (shareholder's funds) as per previous GAAP		27,499.14	19,817.80
Adjustments:			
Dividend on equity shares and corporate tax on dividend on equity shares	e	-	6,935.53
Dividend on preference shares and corporate dividend tax on preference shares	e	-	365.02
Recognition of financial assets (security deposit given)/ liabilities (settlement guarantee fund) at amortised cost	a,b	(6.80)	(3.13)
Derecognition of lease equalisation reserve	g	57.91	31.69
Recognition of investments at fair value	c	46.91	31.98
Reversal of depreciation charged on lease equalisation capitalized under the head leasehold	g	9.67	5.29
Recognition of employee stock compensation expense		(10.46)	(9.03)
Recognition of employee stock options outstanding account		10.46	9.03
Reversal of employee benefit expense on account of remeasurement of defined benefit liability	f	2.05	-
Actuarial loss on defined benefit plans recognised in other comprehensive income (net of tax)	l, i	(1.34)	-
Leave encashment		-	(9.50)
Deferred tax on Ind AS adjustments	d	(30.51)	(3.63)
Reserve arising out of inclusion of ESOP trust in these financial statements	h	244.42	182.69
Total adjustments		322.31	7,535.94
Total equity as per Ind AS		27,821.45	27,353.74

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	31 March 2017
Profit after tax as per previous GAAP		11,331.61
Adjustments:		
Derecognition of rent in respect of lease equalisation reserve	g	26.22
Reversal of employee benefit expense on account of remeasurement of defined benefit liability	f	2.05
Recognition of financial assets/ liabilities at amortised cost	a, b	(3.67)
Gain on revaluation of investments	c	14.93
Reversal of depreciation charged on lease equalisation capitalized under the head leasehold improvement	g	4.38
Deferred tax on temporary differences	d	(26.88)
Leave encashment	f	9.50
Employee stock option compensation expenses	l	(1.43)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS Contd.)

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	31 March 2017
Impact of inclusion of ESOP Trust financial statements	h	1.42
Total adjustments		**26.52**
Profit after tax as per Ind AS		**11,358.13**
Other comprehensive income (net of tax):		
Actuarial loss on defined benefit plans	i	(1.34)
Total comprehensive income as per Ind AS		**11,356.79**

Notes to first-time adoption:

(a) Financial assets (Loans): Security deposits

Under Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as on 31 March 2017 has decreased by ₹75.53 (1 April 2016: ₹83.83) with a creation of deferred rent (included in other non-current and current assets) of ₹68 (1 April 2016: ₹78.41). The other equity (net) decreased by ₹5.42 as at 1 April 2016. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The profit and other equity for the year ended 31 March 2017 decreased by ₹2.11 due to amortisation of deferred rent by ₹10.41 (included in other expenses), and increase in notional interest income of ₹8.3 recognised on security deposits (included in other income).

(b) Financial liabilities

Under Indian GAAP, interest free long term liabilities for which the Company has contractual obligation to deliver cash or another financial asset to another entity such as settlement guarantee fund (SGF) are recorded at their transaction value. Under Ind AS, such financial liabilities are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the SGF has been recognised as deferred income. Consequent to this change the amount of SGF as on 31 March 2017 has decreased by ₹25.06 (1 April 2016: ₹41.16) with a creation of deferred income (included in other non-current and current liability) of ₹24.34 (1 April 2016 : ₹38.87). The other equity increased by ₹2.29 as at 1 April 2016. The unwinding of SGF happens by recognition of a notional interest expense in Statement of Profit and Loss at effective interest rate. The deferred income gets recognized on a straight line basis over the term of the security deposits. The profit and other equity for the year ended 31 March 2017 decreased by ₹1.56 due to recognition of deferred income by ₹26.95 (included in revenue from operation), and increase in notional interest expense of ₹28.51 recognised on SGF (included in finance cost).

(c) Fair valuation of Investments

Under Indian GAAP, investments in mutual funds were classified as current investments and non-current investments, respectively, based on intended holding period and realisability. The current investments were carries at lower of cost or fair value, Under Ind AS, these investments are required to be measured at fair value, the resulting fair value changes of these investments amounting to ₹31.98 have been recognised in retained earnings as at the date of transition (i e 1 April 2016) and subsequently in the profit and loss for the year ended 31 March 2017. This has increased the profit by ₹14.93 as at 31 March 2017.

(d) Deferred taxes

Under Indian GAAP accounting for deferred tax, using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments lead to temporary differences. On the date of transition (i.e 1 April 2016), the net impact on deferred tax liabilities is of ₹(3.63) [31 March 2017: ₹(30.51)]. The profit and other equity for the year ended 31 March 2017 have decreased by ₹26.88 due to differences in temporary differences.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS Contd.)

(e) Provisions : Proposed dividend

Under Indian GAAP upto 31 March 2016, dividend proposed by the Board of Directors after the reporting period but before the approval of the financial statements were considered as adjusting events. Accordingly, the provision for proposed dividend was recognised as liability. Under Ind AS such dividends are recognised when the same is approved by the shareholders in the annual general meeting. Accordingly, the total liability recorded for proposed dividend and corporate dividend tax of ₹7,300.55 as at 1 April 2016 included in the provisions has been reversed with corresponding adjustment to reserves and surplus. Consequently, the other equity increased by ₹7,300.55 as at 1 April 2016.

The Ministry of Corporate Affairs, Government of India, vide Notification No. G.S.R. 739(E), dated 7th December, 2006, notified Companies (Accounting Standards) Rules 2006, Amended the AS 4 (effective from 1 April 2016), stating that dividends declared after the balance sheet date but before the financial statements are approved for issue, are not recognised as a liability at the balance sheet date because no obligation exists at that time unless a statute requires otherwise, therefore, for the year ended 31 March 2017 no provision was considered in the books of accounts in relation to the proposed divided as per Indian GAAP also.

(f) Employee benefits :

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liabi1ity are recognised in other comprehensive income instead of statement of profit and loss. Under Indian GAAP these were forming part of the statement of profit and loss for the year. As a result of this change, the employee benefit expense to the extent of actuarial loss amounting to ₹2.05 for the year ended 31 March 2017 has been reduced with corresponding impact on Other Comprehensive Income. There is no impact on the other equity as at 31 March 2016.

During the year ended 31 March 2017, compensated absences for sick leaves had been provided for the first time. Accordingly expenses for the prior period have been adjusted in the opening provision amounting ₹9.50.

(g) Lease equalisation reserves

Under Indian GAAP, operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term and lease equilisation reserve ('LER') is to be amortized over the lease term. In case operating lease charges are related to pre-construction period then the same should be capitalzed as part of leasehold improvement and to be depreciated over the lease term.

However, under Ind AS, Lease payments under an operating lease shall be recognised as an expense on a straight line basis over lease term only if the payments to the lessor are not structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Since, escalation allowed in lease arrangement in respect of office premises taken by the Company represents general inflation. Hence, lease payments under an operating lease shall not be required to be recognise on a straight line basis over lease term.

The effect of the adjustments resulted in reversal in the value of lease equalisation reserves of ₹70.01 (31 March 2017: ₹96.24) with corresponding decrease in leasehold improvements by ₹33.03 (31 March 2017: ₹28.65) comprises of depreciation charged of ₹5.29 (31 March 2017: ₹9.67) and increase in retained earnings by ₹36.98 on transition date.

During the year ended 31 March 2017, reversal of the value of lease equalisation reserves of ₹26.23 with corresponding decrease in rent expenses and reversal of accumulated depreciation on leasehold improvement with corresponding decrease in depreciation of ₹4.38 resulted in increase in profit and loss by ₹30.61.

(h) ESOP trust

Under IND AS, the ESOP trust has been treated as an extension of the Company and accordingly shares held by ESOP Trust are treated as treasury shares. Consequently, all the assets, liabilities, income and expenses of the trust area accounted for as assets, liabilities, income and expenses of the Company, except for profit / loss on issue of shares to the employees and dividend paid on the shares held by ESOP trust which are directly taken to the ESOP Trust Reserve.

(i) Other equity :

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments. Refer 'Reconciliation of total equity as at 31 March 2017 and 1 April 2016' as given above for details.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.)*

(j) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans net of tax. Hence, on overall basis, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(k) Statement of cash flows

The impact of transition from Indian GAAP to Ind AS on the statement of cash flow is due to reclassification adjustments recorded under Ind AS balance sheet and statement of profit and loss. The transition from Indian GAAP to Ind AS does not have a material impact of the statement of cash flow of the Company.

(l) Employee stock option compensation expenses

Under Indian GAAP, employee stock options compensation expenses was recorded at intrinc value method. However according to Ind AS, employee stock options compensation expenses have to be recorded at fair value.

41. Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 31 December 2016:

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	Nil	Nil	Nil
Add: Permitted receipts	Nil	Nil	Nil
Less: Permitted payments	Nil	Nil	Nil
Less: Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 31 December 2016	Nil	Nil	Nil

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

42. Share based payment arrangements:

a. Description of share-based payment arrangements

During the financial year 2010-2011, the Company had framed an Employee Stock Option Scheme - 2010 ("ESOP 2010"), which was duly approved by the Shareholders and Board of Directors of the Company. Accordingly, the Company allotted 606,572 number of equity shares of ₹10 each to IEX ESOP Trust ("ESOP Trust") who will administer ESOP 2010 on behalf of the Company. Subsequently, ESOP 2010 has been amended by special resolution passed at the Extra-ordinary General Meeting held on 16 May 2017 by the shareholders of the Company.

Further, the Shareholders of the Company vide their special resolution passed at the Annual General Meeting held on 27 September 2013 had authorised the Board of Directors/ Compensation Committee of the Company to vary the terms of ESOP's including the vesting period for selective/specific eligible employees in respect of the options which have yet not been granted or granted but which have not been vested yet, subject to a minimum vesting period of one year from the date of grant under ESOP 2010.

Out of total shares allotted to IEX ESOP Trust, ESOP Trust has granted 513,290 (net of 136,610 option lapsed) number of options to employees. Details of options granted by the IEX ESOP Trust ("ESOP Trust") is as under:

S.No	Grant Date	No. of Options	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
1	08-Jul-10	307,100	10	-33% on completion of first year -33% on completion of second year -34% on completion of third year	-33% on completion of first year -33% on completion of second year -34% on completion of third year	12 months from the date of vesting
2	07-Sep-10	17,600	10	-33% on completion of first year -33% on completion of second year -34% on completion of third year	-33% on completion of first year -33% on completion of second year -34% on completion of third year	12 months from the date of vesting

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

42. Share based payment arrangements: *Contd.)*

S.No	Grant Date	No. of Options	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
3	16-Dec-11	106,100	53	-33% on completion of first year -33% on completion of second year -34% on completion of third year	-33% on completion of first year -33% on completion of second year -34% on completion of third year	12 months from the date of vesting
4	16-Dec-11	100,000	53	-55% on completion of first year -45% on completion of second year	-55% on completion of first year -45% on completion of second year	12 months from the date of vesting
5	21-Jan-14	45,000	150	- 25% on completion of second year - 25% on completion of third year - 25% on completion of fourth year - 25% on completion of fifth year	-25% on completion of second year -25% on completion of third year -25% on completion of fourth year -25% on completion of fifth year	12 months from the date of vesting
6	24-Jun-14	10,000	535	100% on completion of one year and successful completion of the IPO and listing of the Company's equity shares at Stock Exchange	100% on completion of one year and successful completion of the IPO and listing of the Company's equity shares at Stock Exchange	12 months from the date of vesting
7	17-Apr-17	10,000	750	33% on completion of first year 33% on completion of second year 34% on completion of third year	33% on completion of first year 33% on completion of second year 34% on completion of third year	12 months from the date of vesting
8	19-Jun-17	19,000	750	33% on completion of first year 33% on completion of second year 34% on completion of third year	33% on completion of first year 33% on completion of second year 34% on completion of third year	12 months from the date of vesting
9	16-Aug-17	35,100	750	33% on completion of 17 months 33% on completion of 29 months 34% on completion of 41 months	33% on completion of 17 months 33% on completion of 29 months 34% on completion of 41 months	12 months from the date of vesting
	Total	649,900				

No employee has been issued options entitling such person to subscribe to more than 1% of Equity Share Capital of the Company.

b. Measurement of fair values

The weighted average fair value of stock options as on grant date

Particulars	Method of Valuation	Weighted average fair value as on the grant date (₹)
Employee stock option plan -2010		
21-Jan-14	Black Scholes option pricing model	21.24
24-Jun-14	Black Scholes option pricing model	58.86
17-Apr-17	Black Scholes option pricing model	Nil
19-Jun-17	Black Scholes option pricing model	75.25
16-Aug-17	Black Scholes option pricing model	83.73

The inputs used in the measurement of grant date fair value are as follows:

Particulars	Share Price (₹)	Exercise Price (₹)	Expected Volatility	Expected Life (in years)	Expected Dividend	Risk free Interest Rate
Employee stock option plan -2010						
21-Jan-14	148	150	0.00%	1.5 to 4.5 years	Based on dividend declared prior to the date of grant	8.52%
24-Jun-14	148	535	0.00%	1.50 years	Based on dividend declared prior to the date of grant	8.83%
17-Apr-17	555	750	0.00%	1.5 to 3.5 years	Based on dividend declared prior to the date of grant	6.49%
19-Jun-17	647	750	25.54%	1.5 to 3.5 years	Based on dividend declared prior to the date of grant	6.34%
16-Aug-17	647	750	25.54%	1.5 to 3.88 Years	Based on dividend declared prior to the date of grant	6.32%

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

42. Share based payment arrangements: *Contd.)*

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities. Expected volatility calculation is based on historical net asset method of valuation.

c. Effect of employee stock option scheme on the Statement of Profit and loss:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee stock option expenses	9.16	1.43
Total	**9.16**	**1.43**

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programs were as follows

Particulars	31 March 2018		31 March 2017	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	22,500	150	33,750	150
	10,000	535	10,000	535
Exercisable at the beginning of the year	11,250	150		
Add: Options granted during the year	64,100	750	-	-
Less: Options forfeited and expired during the year	-	-	-	-
Less: Options exercised during the year	10,000	535	-	-
	22,500	150	-	-
Options outstanding as at the year end	64,100	750	22,500	150
	11,250	150	10,000	535
Exercisable at the end of the year	-	-	11,250	150

The options outstanding at 31 March 2018 have an exercise price in the range of ₹150 to ₹750 (31 March 2017: ₹150 to ₹535) and a weighted average remaining contractual life of 2.38 years (31 March 2017: 1.75 years)

The weighted average share price at the date of exercise for share options exercised in 2017-18 was ₹268.46 for 32,500 shares (2016-17: no options exercised).

43. The Company had constituted a separate 'Settlement Guarantee Fund' ('SGF') in respect of the activities carried out in various contracts being traded at the exchange platform. The members are required to contribute to the fund in the form of interest free margin money, which forms part of the SGF. The margin money is refundable, subject to adjustments, if any. Such fund is also termed as Settlement Guarantee Fund. The Cash Margin Money forming part of SGF was ₹11,671.76 (previous year ₹6,326.84) disclosed under note 17 - Other current financial liabilities ₹11,555.79 (previous year ₹6,213.55) under Security Deposits towards Settlement Guarantee Fund and note 17 – Other non current financial liabilities – Deposits towards Settlement Guarantee Fund ₹115.97 (previous year ₹113.29). The Company had also collected non cash portion of the Settlement Fund comprising collateral such as bank guarantees, received from the members amounting to ₹800.00 (previous year ₹820.00) which does not form part of the Balance Sheet. These balances have been accounted for on amortised cost basis.

44. Recent accounting pronouncements

Standards issued but not yet effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

The amendment will come into force from 01 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not significant.

Ind AS 115- Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on 01 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

The notes from Note 1 to Note 44 form an integral part of these financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W /W-100024

Sd/-
Manish Gupta
Partner
Membership No.: 095037

Place : New Delhi
Date : 26 April 2018

For and on behalf of the Board of Directors of
Indian Energy Exchange Limited

Sd/-
S. N. Goel
Managing Director & CEO
DIN-02294069

Sd/-
K. T. Chacko
Independent Director
DIN-02446168

Sd/-
Vineet Harlalka
Chief Financial Officer, Compliance Officer & Company Secretary

Place : New Delhi
Date : 26 April 2018